

## Tokos [< Greek] Rules World Economy

03-10-17

*“Usury is hated with good reason because of its being acquisition from currency itself and not from that for which currency is provided. For currency came into being for the sake of exchange. The **tokos** makes it more. And it is from that it got its name. For as the offspring are like the parents, so **tokos** breeds currency from currency. And in this way it is of the kinds of moneymaking the most contrary to nature.”*

So wrote Aristotle more than 2300 years ago in *The Politics*. The intense hatred for tokos in the ultra form it has assumed today has created a wave of antipathy toward financial capitalism the world over because of the multiple offspring the supra money scheme has generated.

It must be noted that the hated usury that Aristotle wrote about is what we would regard as the most benign sort of money lending. If a farmer borrowed money to move his goods to market, the only morally justifiable repayment would be the same sum adjusted if need be to make it the same value as what was lent. To demand more is a form of extortion. The farmer must get his goods to market in due time. The lender demands a sum beyond the loan knowing that the farmer will lose everything without his form of assistance. The loan grudgingly accepted in exchange for contempt.

We live in such corrupt times that many would think it crazy to lend money without charging interest yet that is the most common form of lending today – family and friends do it all the time – people with productive jobs often accumulate a savings of which some can be spared for a non-interest loan. It isn't difficult to understand why those that live a good (often luxurious) life by collecting interest from the producers while being totally non productive themselves are held in such low repute.

It is because an enhanced version of unproductive wealth creation, one that has no need for currency at all, has dominated the world economy that we've had the worst financial collapse since the depression, and despite repeated attempts to claim a turnaround we have not only failed to have a recovery but the world economy cannot even be honestly said to be recovering. It's barely gotten to its knees and now suffers dizzy spells every time the central banks try to float it to its feet. But the proof of the pudding is in the attitude of those that live and work beneath the financial free loaders. The hatred they have for their 'superiors' is now manifesting itself in the wrecking job being done to its institutions; most particularly by selecting garbage to run them. That way it matches the descent from currency to a variety of exchanged notes which rarely actually move because

they are just promises of an exchange of value some time in the future, and which will be altered many times before that point is reached should that ever occur. And out of all this nothingness vast sums of wealth are accumulated. How appropriate that nonentities are being placed in charge.

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The markets had their first negative week in some time despite claims of more evidence of traction and robustness from the cheerleaders. It's now a foregone conclusion that the Fed will raise rates later this month. The jobs report for last month came in as 235,000 (down from ADP's guess of 298,000). The cheers drowned out the reality that the six months moving average is 194,000; just where it was in December, and much worse than November. The Establishment Survey is preferred because it's easier to manipulate. The Household Survey has Census people actually doing some physical counting – and the jobs they are concerned with are the vastly more important full time jobs. Those are currently averaging 129,000 a month – they were 350,000 the beginning of 2015. Furthermore, the productivity rate remains very low. Since that indicates that enterprises have more employees than they actually need, either the job numbers are fictitious or workers are being stockpiled because of optimistic expectations.

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China has decided not to fight the downward trend in growth by promising a stimulated reversal. Instead they've announced in advance the expected lower rate – it's 6.5%.

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The Brazilian economy has broken all existing records for decline. It's now had 8 consecutive quarters of negative growth. 3.6% down in 2016 – 8% from 2014. It's mainly due to low commodity prices – which is mainly due to the sick world economy.

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The DJIA is now more than 3 times higher than where it was at this time in 2009. The S&P 500 has a price – earnings ratio of 26. The highest since the end of World War 2 except for the peak of the dot com bubble. But what we are now experiencing is more amazing than that loony period because there actually was significant material growth in the late nineties. Now the financials are booming unconnected to anything real.

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The ECB and the Fed are claiming a reflation victory – same for the Japan central bank which is so pleased that they now have fractional inflation. The cause is mainly due to the artificial boosting of oil prices (stockpiling and production cuts – not increased consumption due to increased growth). But things are so bad that

the props are falling away. The WTI closed at \$48 a barrel – a 9.1% drop for the week.

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