

Brief Introduction to Usury Research Project
Daniel W. Skubik, PhD JD

Business coaches encourage their clients to develop an elevator talk. That is, a short, set speech or sound bite that one can deliver concisely, within 30 seconds, and that tells the captive listener that “something special” about the speaker the listener needs to know. This speech tonight represents a rather relaxed, 3-ish minutes, elevator talk about my research project on usury.

To stick with that metaphor, let me then take you on an allegorical elevator ride, and open to you the doors at three different levels that together represent the warp-and-woof of my project: the dank, leaky basement of history; the mezzanine of neo-classical economics and law; and the rooftop observation deck of possible worlds.

As mentioned, my topic is usury—the charging or paying of interest on the loan of money or valuable movables. As I open the doors to the basement level, notice the old, warped and mildewed sign affixed, askew and badly chipped, just above the janitor’s dim and messy workbench: USURY PROHIBITED*. But see that asterisk above the “D”? There was apparently some explanatory message attached. Unfortunately that note has broken off the plaque. We can’t be sure just what it said. The little we do know of the secular and religious practices of the ancients, like those of Assyria and Babylonia as well as Greece and Rome, tells us that usury was indeed prohibited. Likewise, all three Abrahamic faiths—Judaism, Christianity, and Islam—prohibited usury by the faithful for virtually all economic transactions. But exactly why? And if it was prohibited, how is it we also know that usury was regularly practiced? Those stories are largely untold. I intend to slog through this basement, search in some previously unsuspected, un-inspected corners, and fill in a few of the many gaps of that historical narrative to help clean things up a bit.

Of course, historical narrative is not told for its own sake. It is narrated in order to help us better understand where we are, today. So let’s leave the basement for now, and travel up to the next level on this tour. As we open the elevator’s doors to the mezzanine, notice that while overall conditions are better—with improved lighting and moisture control, cleaner furnishings and more comfortable surrounds, there remain hints of a foundational schizophrenia. For on the receptionist’s clean and efficient desktop, we see the sign: USURY PROHIBITED; INTEREST PERMITTED*. What does that mean? And there’s that pesky asterisk, again, after the final “D” and still no help on how to understand what is permitted, what is not, how to tell the difference, or why there is a difference at all. As we walk around the mezzanine, do be careful not to stumble over the tilted flooring, since you’ll discover soon enough there is no flat space to stand. Every spot is different: a 5% incline here, 12% just there, and beyond that table it looks like over 35%. Confusing, isn’t it? I hope to dig under some of these main planks and discover just why the mezzanine is so uneven, and nowhere level. That should add to the overall historical narrative in interesting ways. Leaving the mezzanine, we might reflect that narrative tells us not only from whence we’ve come and so better know where we are; it also helps tell us where we are heading, where we can go, or alternatively might best aim to arrive. Let’s move up now to the observation deck.

From the observation deck, one can look out over several quite different futures. In the immediate vicinity, we see for example business continuing as usual, with the regular cycles of expansion and contraction, generating some winners and many losers. But look over there, just beyond those wetlands that recently have been re-zoned for yet another mall. We can catch the glimmerings of a capitalist economic system that runs on alternative investment transactions: no usury, no interest, no asterisk. We might get a better look through the observation deck's Islamic telescope, that magnifies for us how some scripture-sensitive financial practices might provide more sound bases for equitable production and distribution of a society's resources. Something to consider as we plan for our future.

Well, that concludes our tour. As you return to the Lobby, do watch your step exiting the elevator. It's rumored that the FOMC and its band of merry bankers plan to conjure again with the prime rate just in time for the holidays.