

Some people continue to defend trickle-down theories which assume that economic growth, encouraged by a free market, will inevitably succeed in bringing about greater justice and inclusiveness in the world. This opinion, which has never been confirmed by the facts, expresses a crude and naïve trust in the goodness of those wielding economic power and in the sacralized workings of the prevailing economic system. Meanwhile, the excluded are still waiting.

Apostolic Exhortation: 26 November 2013



## Of Marxism, the Pope, and the History of Christianity



Pope Francis' Apostolic Exhortation

Many outlets have reported on the outrage with which Rush Limbaugh, who passes for a conservative in the modern United States, denounced

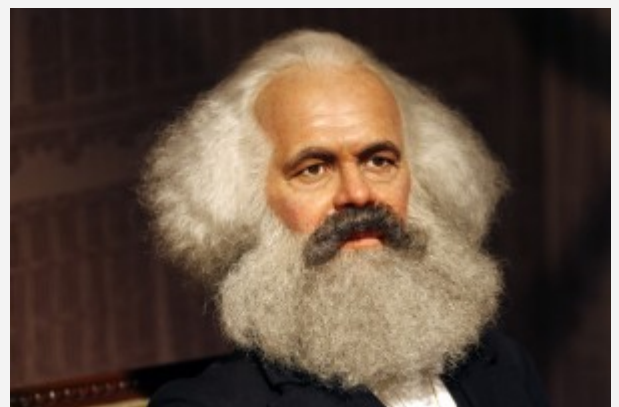
Pope Francis for daring to point out some of the obvious shortcomings of our beloved (of some, anyway) capitalist economic system. The Pope, Limbaugh alleged, is a Marxist.

The Dalai Lama, that other world-famous spiritual leader of a major religion, really is a Marxist, self-professed.

But, to call Pope Francis a Marxist just because he suggested that our capitalist economic system is harmful to poor people—indeed, creates poor people—is to reveal an impressive ignorance of the history of Christianity and of the west, which is to say, anyone who would say such a thing is not a conservative in any important sense. True conservatives revere history because they revere tradition and because they see the past as the only reliable guide to the future. In the west, true conservatives also revere Christianity because they see it as the only reliable source of moral absolutes, which they believe in.

That is, it is impossible to be at once ignorant of the history of Christianity and be a good conservative all at once. Rush Limbaugh, then, is not a good conservative.

Charging interest for loans is a keystone of capitalism. It is how our fractional reserve banking system works. Banks accept deposits, but keep only a fraction of the total amount for daily use, loaning the rest at interest to make money. This is why bank runs are such a threat to our economic system. Because calling in loans on short notice is usually impossible, but banks keep only a fraction of their deposits on hand at any given time, if a large number of depositors show up and withdraw all of their money, they can quickly render a bank functionally bankrupt. As Elizabeth Warren has pointed out, until the Glass-Steagall Act, the United States experienced a bank run and resulting recession about every decade from the 1830s through the 1930s. An important part of the New Deal was banking regulations to prevent bank runs. The collapse of 2008 was a sort of modern bank run, which we allowed by undoing parts of the New Deal regulatory network.



Wax Figure Madame Tussaud's – Karl Marx

But, back to the history of Christianity. Lots of things in Europe had to change for capitalism to emerge. Technological changes like

the invention of the steam engine were important, but one of the key changes was the elimination of the explicitly Christian prohibition on charging interest for loans that had been around since the beginnings of Christianity in ancient Rome.

Yep, you read that right: historically, Christianity was an impediment to capitalism. The long-standing association of Jews with banking dates to the time, before the modern era, when Christians were forbidden to charge interest. The Catholic Church, the only institutional manifestation of Christianity at the time, prohibited the clergy from taking interest in the fourth century of the Common Era, then extended the prohibition to everyone in the next century. In 1311, Pope Clement V declared an absolute ban on usury and voided all secular laws to the contrary. Hint: this was more than 500 years before Karl Marx was even born. Only after 1620, after, that is, the beginning of the Protestant Reformation and around the beginning of the emergence of a distinctly capitalist, Protestant middle class in England, the Netherlands, and elsewhere, did charging interest become permissible.

Adam Smith, the putative high priest of capitalism, did not wish to prohibit the charging of interest entirely, but did favor a low cap on interest rates for fear that speculative users of money would outbid more socially beneficial users. How communist of him.

Even in the seventeenth century, in North America, what would later become the United States, the Puritans (who were effectively communists, by the way) prohibited charging interest and had sumptuary laws regulating what one could wear and own according to their notions of biblical propriety. Mind you, these were the direct ancestors of the men who led the Boston Tea Party just over 150 years later.

Only a modern, U.S., pseudo conservative, who was addled by the recent prosperity doctrine of twentieth century Protestantism (god wants you to be rich, and he wants you to make me rich for telling you that) would fail to understand that Christianity was implacably hostile to capitalism and its necessary component, charging interest on loans.

Pope Francis is not a Marxist. He is just channeling the long history of the institution he leads, the Catholic Church.