



## **Michael Hudson on the History of Debt Cancellation, Austerity in Europe and Rental Costs**

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**Rees Jeannotte (RJ):** Hello and welcome. I'm Rees Jeannotte, and you are watching Know Your Stuff. Joining me today is economist and anthropologist Michael Hudson. He is a professor of economics at the University of Missouri, Kansas City, and an author of many books, including Killing the Host J for Junk Economics and his most recent ...and forgive Them their Debts. Today, we'll be talking with him about his latest book ...and forgive them their debts, the Eurozone crisis and the problem of ever increasing rental and home ownership costs around the world. Professor Michael Hudson, thank you for joining us.

**Michael Hudson (MH):** Good to be here.

**RJ:** How did you come to be both an economist and an anthropologist and in fact, combine the two the culmination of which is in large part at least is your latest book ...and forgive them their debts?

**MH:** Well, I began as an economist on Wall Street dealing with third world debt for the Chase Manhattan Bank in the 1960s and by the 1970s for the United Nations Institute of Training and Research Unit are writing about how the Third World was unable to pay its foreign debts to the United States and other creditors. Unable to pay without submitting to the IMF austerity programs, without having to sell off its raw materials and its industry and impose a permanent debt crisis. And at Mexico City at a unit our meeting in 1979/78. I gave a speech to point out that the Third World could not pay its debts, and this was four years before that Mexico debt default. There was a riot, and I realized that the whole issue of debt cancellation and the whole idea that debts, chronically, could not be paid again and again led me to want to write a history of debt cancellations and how society had handled the problem of debts growing beyond the ability to be paid. Just simply because of compound interest rising steadily, compounding much faster, than an economy can grow. So it took about a year to write about Greece, Rome and the biblical lands. But then while I was studying Israel, I realized that there were hints of early earlier tradition in Babylonia and Sumer and Bronze Age, Mesopotamia of debt cancellation. So I began to read the literature on Sumer and Babylonia and the word debt must never appear in the index. And I had to read the whole context, the whole book, in order to find out about this. And I realized that most histories of antiquity were what would happen if a modern economist, especially a Thatcherite or right wing economist, would get in a time machine and go back to three thousand BC. How would they have created an economy? Of and of course, it would have been an economy just like Argentina. Or Greece. It would have gone bankrupt in a hurry and conquered by the surrounding lands. So I got very interested, and wrote a history of that kind of a history of debt cancellation in Sumer and Babylonian by about 1984. And a friend of mine at Harvard introduced me to the head of the anthropology department there, Carl Lamberg-Karlovsky. Anthropology included the archaeology department, and we decided... I became a research fellow in Babylonian archaeology, and in the 1990s we decided that because most Assyriologists had never talked about debt. Let's begin to have a conference. How did property, how did land ownership begin?

How did economic rent begin? How did all the economics of enterprise, interest bearing debt, credit, contracts? How did they all began in Mesopotamia? And so we decided on a series of volumes that culminate in the third volume which was a history of debt cancellations in Mesopotamia. Well, I submitted of the first draft to the university press and they sent it out to readers as academic presses do. And all of the readers said it is inconceivable. This is a crazy book. It is inconceivable that any country, any society could have canceled the debts because then the creditors wouldn't lend anymore money. And this is what people like us, Samuel Cramer wrote. And just everybody believed that in the 1980s and early nineties. And what they did not understand was, number one, most debts were owed palace and the palace had a choice. Either it can collect and reduce the whole population to bondage, in which case the palace doesn't get any rent. The creditors get all the rent and the oligarchy takes form and then the local city is defeated by invaders. Or they canceled debts restoring economic order. And I began... We decided to invite archaeologists and, basically Assyriologists, [00:05:28]inaudible [0.0s] readers who would... Everything they knew from their particular period of Babylonian, Sumer, the Neo-Babylonian period in Israel. And we got [00:05:44]inaudible [0.0s] confirmation of how enterprise and economic techniques and profit seeking contracts all began in the palatial economy. And that money itself did not begin as barter as the free enterprise boys say. Money itself was created as a means of paying taxes and fees to the palace. And basically you had an enterprise and private property beginning at the palatial sector. Not in the government, not in the private sector.

**RJ:** The Key here as barter didn't happen, of course. This is barter didn't happen in the way that people would.

**MH:** And right in the US, Springer just did a handbook of money and credit and I wrote the lead article on the origins of money. Showing that the barter theory was made up by a very right wing economists, by Austrian economists who hated government. Almost all the monetary theories are done by right wing anti-socialists that say government plays no role at all. Money is best without government. Leave it to the private banks. We will plan society better. And basically the libertarians, the free enterprise boys. Advocate a highly centralized economy, much more centralized than Soviet Russia, much more centralized than China. But they want everything centralized in Wall Street or the City of England. The banks. They want the banks to be in charge of everything. And they all say that this is all for the best. And so we find as in antiquity today through Sumeria, Babylonian, Greece, Rome, when ever a financial oligarchy is taken place, it has created a depression, a disaster and an economic collapse. Almost all ancient historians have found this. This is what Livy and Dionysius wrote about in their histories. Ah, Plutarch, the histories of Rome. And that's why the free enterprise boys today in the United States, certainly, have stopped teaching economic history in the economic curriculum. If you go to get an economics degree in the United States, you no longer study history. It's out. You don't study even the history of economics. It's as if economics began in 1980 with Margaret Thatcher, Milton Friedman and other right wing... And so it's really a censorship about how civilization's been evolving for the last few thousand years and how it's dealt with debt issues. So, the publications that I did for Harvard, five big colloquia on the origins of money and privatization and land ownership and labor and economic accounting and contracts after finishing five colloquia, then I decided to write the popular summary of it all. And that's the book and forgive us our debts.

**RJ:** It would be interesting to know why you chose that title. Of course, the image on the cover of the book it depicts Jesus as mercilessly whipping a moneylender, presumably before tossing him out of the temple. I can imagine photoshopping someone like Jamie Diamond's head on top of moneylender. You know, many people would think that. Yeah. Why did you choose those images? That image, though, that title?

**MH:** I don't think I have ever chosen the title to any of my books. I'm not very good at choosing titles. My picture was the title. And that's because I had wanted to call the book Bronze Age Finance. And

my publisher said nobody and nobody knows what the Bronze Age. Bronze Age finance. What does that mean? You have to... And she said, what you've really written about is Jesus's first sermon and the first sermon that Jesus gave was... He unrolled the scroll of Isaiah and talked about the year of our Lord. Meaning the Jubilee year, and said he had come to proclaim that. And she said that that is the revolutionary part of your book. People think that the large prayer is all about forgive us our sins. But in the time Jesus wrote, there was a whole fight over the issue. Justice in Rome. There were riots demanding debt cancellation, riots in Greece. A whole war with Mithridates in the Near East all over debt cancellation. And that was what Jesus's first sermon was about and that was the Lord's Prayer was about. And that was what conservative, what the original Judaism had been about before the rabbinical class, the Pharisees, who basically were the wealthy creditor class sort of took over and subverted the older Jewish religion that Jesus came to try to revive. So, she thought I should tie it into Christianity because we're living in a Christian society and more people are familiar with the Lord's Prayer, forgiving their debts than they are without Bronze Age finance.

**RJ:** This is where the creditor class, I guess around the time of Christ, won the battle against central power. The palace, the temple, at least in western Rome, western Roman Empire. And there was a paradigm shift then, of course, in how we think of debt.

**MH:** That makes Western civilization different from everything that went before. All earlier civilization in the Near East, they had an idea of the economy is always getting out of balance, always polarizing between the rich and the poor and causing poverty and ultimately deep population and military loss as a result of the creditors enslaving the debtors. Reducing them to clientage or serfdom or bondage, and the near nearest was different. They realized... They had a completely different economic model and a much better economic model, much more mathematically sophisticated than any model that I'd seen in modern academia. And their model said, look, you have no interest bearing debt growing exponentially, doubling every [00:12:04](inaudible). [0.0s] And you have the economy growing in an S-curve very slowly. So again and again, you have an inherent instability and you don't have a central power to keep wiping out the inequities, to keep restoring balance then you're going to have an imbalanced economy. Well, modern economic models are all based on equilibrium theory and there is nothing more mathematically stupid than equilibrium theory. It says that the business cycle is self-correcting. It is impossible that people become poor. Impossible to be income impoverished because there are automatic stabilizers. And if you're just get the government out of the way and let Wall Street run everything, everybody will be happy and prosperous. Look at the stock market. Well, the problem is that in America, 10 percent of the population own 80 percent, 85 percent of the stocks. The stock market's gone way up. Government debts done way up. And the income for the 90 percent of the people have gone down since 2008. And the minimum wage has not gone up at all. So you have the financial economy growing at the expense of the real economy of goods and services. The population is being impoverished. And yet economists say were getting richer, meaning that their class the financial class getting richer. This is the travesty of modern economics. And it's amazing that in the Bronze Age [00:13:38](inaudible) BC, [0.0s] they had better... We have the training manuals that they taught these scribal students that the mathematics they use were superior to the mathematics underlying the math of the mainstream right wing models that say debt can never be a problem that we use today.

**RJ:** So this is like in those days they had sort of an inverted concept of the moral hazard. Right. And it's been completely flipped around. So can you explain what the moral hazard is and then how should democratic societies really be thinking about debt? And we often think about even just personal debts. Or maybe someone had murdered somebody. They have to. I mean, in America is a great example where you just you get life imprisonment. There is no redemption, it seems like. How do we come on of those concepts? Which should we be moving away from them?

**MH:** Well, the right wing economic fashion in the United States now is that of Douglas North following the Austrian school, saying civilization progresses if there is a sanctity of contract. A contract is a contract and you need a stability of contract. Even if the contract is unfair and therefore you must not cancel the debts because otherwise you'd cheat the wealthy people who've made a contract to get their money, even if the contract says the rest of the economy has to starve. Suicide rates have to go up. The economy has to impoverish itself. A contract is a contract and that's progress. That's Darwinian economics. And in antiquity, they put economic balance as being the key. And they said, of course, you have to have the palatial or civic authority come in and cancel the contracts. If the price of making the debtors pay the contracts that they're forced to sign under your money or your life, sign the contract. If that causes economic collapse, as it ultimately did in Rome and century after century in Rome, for five centuries, you had economic revolts of the plebeians and the poor wanting debt cancellation. And in every case, the right wing, the creditors won not by argument, but by assassinating the political leaders, ending up by killing Caesar. But there was a whole series of century after a century of assassination of the Gracchi brothers, the reformers, a whole series of reformers, just like today. The basis of Chicago school economics is you cannot have a free market if you're not willing to assassinate every critic. They went to they said, look at Chile. We came in and we said our economists down. And we said, here are the labor union leaders you have to assassinate. Here are the land reformers you have to assassinate. Here the socialists, you have assassinate. And they started hundreds of thousands of assassinations, all from Chile to Argentina. All in a huge assassination program, sponsored by the CIA, saying this is a free market. We're doing this for freedom. We're doing this for democracy. And this became this story was actually unique. Even the wealthy people in antiquity, all knew that the debt causing a problem and that the problem with society basic was caused by greediness. That was what Socrates wrote. That's what the Solon of Athens wrote in his poetry when he canceled the debts. It's what Livy and all of the Roman historians, the stoics wrote. Nowhere in antiquity ever find the idea that rich people should be able to enslave and impoverish a society at large. They don't. How do we deal with. A system of laws to prevent the wealthy creditors risk from reducing the rest of the population to bondage. That was their idea of economics.

**RJ:** There's lots of light bulb moments when you read the book. But one thing that struck me is that really revolutions actually really only started happening in earnest when these debt cancellation started stopped happening, right? That's right. And there are so many interesting things in the book, but I'd like to ask you about what the modern equivalents of these ancient institutions would be, the palace and the temple. And do they behave like they should be or should they be behaving like the temple and the palace? I mean, some of the answer you've already given, but how do they behave like that?

**MH:** Well, what I found out in looking at Bronze Age, Mesopotamia, it's so different from modern society that it was much harder. I'd been known as a futurist in the 70's working at the Hudson Institute and the Futures group. It's easier to forecast the future than it is to understand and liquidate the palace and the temples. We're isolated, were separated from the rest of society. There were three groups. And so there was a palace, there were the temple basically controlled by the royal family. And now they're communities at large with its own body of common law. So Hammurabi's laws, for instance, weren't a code, they didn't apply to society as a whole. They were only applied to the palace sector relative to the rest of society. The structure was completely different. I found in order to explain the origin of debt and commerce and interest rates and profits and land ownership. I had to describe a society so alien from ours. It is it very hard to get used to, but I had to go way beyond the debt issue itself. And talk about the context.

**RJ:** So do we. I mean, do we have institutions that might be similar to something like like a centralized institution maybe? I don't know like the central banks of today.

**MH:** No, they only have exactly the opposite. The central banks work for the commercial banks and for the creditors. In 1913 in America, the Federal Reserve was broken off from the Treasury in order to shift monetary management away from the Treasury into the private banks of New York City and other local banks. Central banks are the antithesis of the ancient palaces because they represent the creditor interests there. They act as the lobbyists for the banks. Actually, you had the Wall Street lobbyist, Alan Greenspan, as head of the Federal Reserve. Their job is to bail out the banks and to make the banks. And even when that impoverishes the customers, even the banks make fraudulent loans such as the the junk mortgage crisis that burst in 2008. The banks were saved despite the fact that it was the largest fraud that been seen in American history. They were saved. An all of the fake fraudulent debts were imposed on the hapless mortgaged home buyers, resulting in a million family kicked out of their homes. And the result is that rents are going up very rapidly here. Housing prices are going up very rapidly. And people now. Americans pay so much money to financial sector for debt service, for mortgages, student loans, car loans, credit card loans, that have less and less money to spend on goods and services. And that's why the American economy has been shrinking now for 12 years, 2008. Since the Obama crisis, the economy has gone down because the banks and the creditors were saved, not the economy.

**RJ:** This is what you call regulatory capture.

**MH:** Yes, regulatory, but not only regulatory capture of the Federal Reserve and its intellectual capture of society. So we have an I tried to write this book and the sequel, *The Collapse of Antiquity*, to basically provide a mind expansion exercise to understand that instead of writing down the debts causing a crisis, if you don't write down the debts, there's going to be a financial crisis and an austerity program. So you're going to end up looking like Greece or Argentina or Latvia.

**RJ:** This is the thing now that we're on the Greece. This is an interesting example, because at the time of the Greek crisis, I mean, there's still an. Crisis, obviously, but at the time when it was all over the news. You had the situation, of course, where they were demanding that Greece should pay its debts. You often say that debts can't be paid, won't be paid..

**MH:** Wait, wait. That's a trick question. And I got to call you on the trick. You say Greece should pay its debts. It's debts where the debts owed to a crooked tax evading class. The Greek debts to foreigners were about 50 billion euros. Christine Lagarde of the IMF had a list of all the Swiss bank accounts that Greek shipowners and industrialists and financiers had illegally put their money outside of Greece into Switzerland. All the money was there. It had been stolen. So it wasn't the Greek people didn't owe the debts. These are debts that the wealthy people owed to the tax authority that were not paid. They were tax evasion debts. And the European community said, well, are the Greek people have to pay the debts that the wealthy class had crookedly avoided paying. So they stood up for the crooks and imposed debts, even for young people to be the pay. The IMF had basically usual junk economics theory that oh, Greece will be much better. It will all recover once it pays. Well, of course, it hasn't recovered. If there's any institution that should be abolished, if the IMF, which as you know, is a branch of the Defense Department basically to keep other countries subservient to the United States. And I discussed the Greek crisis in *Killing the Host*, which is published as *Der Sektor* in Germany by Klett-Cotta. Where I outline all of debt in the Greek crisis. The Argentina crisis and other financial crises.

**RJ:** Well, what I was trying to get out there was sort of the disingenuousness from the EU that they would say, I mean, the constant repeating of they must pay their debts, they must pay their debts when they must have known they could not be paid back. And of course, as you pointed out, who had to pay them back is also a question or who owed the actual debts. But what's the real, I mean, they must know that. So what is the real aim of doing this? I mean, I remember seeing a website, for example, I

don't know if it's still up, but ... They're auctioning off Greek islands, Greek.... This is the key, I think is what the also the oligarchs in ancient times did too. Asset grabbing.

**MH:** Yes. That's it. It is an asset grab. In economics you have something called revealed preference and that is you assume that what's intended... that what happens is what's intended. So you can say that what the central bankers of Germany intended was to reduce Greece's population, to increase the suicide rate, to shorten life spans, to collapse the economy to the point where Germans could come in and insist that Greece had to buy expensive submarines and military wears for their military that Greece would have to sell to Germany electric utilities and other things. Germany made this a power grab that it had had its eyes on for over 50 years, ever since it backed the colonels and back the assassinations of the Greek communists after World War Two.

**RJ:** To think about a more sensible way to deal with a debt crisis. Maybe you can use the most recent example of a national debt cancellation, namely here in Germany.

**MH:** That's right. The German economic miracle was the allied debt reforms of 1947/48 where they essentially wiped out all of the debts except for the day that the employers owed their employees. You know, the workers, and minimum bank working balances at the banks. It was easy for the allies to cancel the debts owed to German predators. Because the creditors were Nazis and the whole idea was they want to wipe out the... You don't want to leave the former Nazis with financial creditor power to take over the economy again. You want a clean slate. And canceling the debts was the German economic miracle. Because now the economy could operate without personal debt. Without much public debt. Without corporate debt. And it was able to take off. Today, essentially you're dealing with a criminalized banking class that I think we should treat in the same way that the allies treated the Nazis at that point. And if you don't cancel the debts owed to them, the economy is going to shrink, and shrink and polarize and we're going to have essentially a Neo-feudalism controlled by the creditor class like you had in Rome in the Dark Ages. Do you really want a new Dark Age?

**RJ:** No, not particularly, no. This leads us into the financial crisis of 2008, where you were among, probably, the few people that predicted it accurately that it would happen. It did. And it was largely based on that giant private debt bubble. Private debt is something that we just don't hear about. I tried to look for the totals on private debt worldwide. You find out the debt to GDP ratio for four public debt. government debt, but it's never about private debt.

**MH:** This is because the right wing people want to abolish government. They think what does the government owe debt for? Apart from the money it owes the United States for military spending and NATO, governments owe debt for pension and for health care. The right wing program in Germany and Europe is to get rid of pensions, to lower them, to make everybody have to financialize the pension system, instead of Germany's pay as you go system, which is quite good. They want to get rid of all social spending. And so they look at government debt as being the adversary of private debt. For instance, in the United States, President Clinton finally ran a budget surplus in the last year of his rule. And what happened when a government runs a surplus, that means that it doesn't spend money into the economy. The economy has to be reliant on banks to get credit because every economy needs credit to work on. And the banks say if the government doesn't provide the economy with spending money by spending deficits into the economy to promote employment, then people will have to borrow from the bank. And if they borrow from the bank, they're their family will end up looking like Greece or Argentina. They're going to be I have to pay more and more of their income as interest. We, the bankers will end up with the houses, will end up with private industry. We will end up controlling everything, including government. So for thousands of years, the tension of civilization has been become between who is going to play in society. Will it be democratic governments or wise rulers seeking stability, just military security reasons? Or will it be a financial oligarchy that wants to get rich by impoverishing the rest of society? The problem is that we talk about debt. One person's debt is

another person's savings. And if you have 10 percent of the population called the savers and they hold 90 percent of the population and debt, that's the situation you have today. Every economy can be looked at as how much of the population, 90 percent in America is paying debts to the top 10 percent. And that right there is the key to the new economic warfare. And it's not the kind of class warfare that the socialists talked about a century ago. It's the old fashioned financial warfare between creditors and debtors that's been going on for thousands of years. And that's why I wrote the book to explain how this whole fight began.

**RJ:** So austerity obviously plays a key role here as well. It's intimately linked with the expansion of private debt. Can you explain how that is?

**MH:** Well, when you have a family budget, if you're in Germany and your real estate prices are going up, while real estate prices going up in Germany, a home or a building office building is worth whatever a bank will lend against it. And banks now find the way to get rich is to do what American and British banks do. Eighty percent of American and British bank credit is mortgage credit. They lend against houses and the result is a huge inflation of real estate prices. Well, if Germans have to pay more and more of their monthly income, either for rent or for mortgage interest or for debt service like in America, then they're going to have less and less money to spend on goods and services. And you're going to end up looking like New York, where the stores are going out of business. Fifth Avenue. Madison Avenue. Broadway. You go down the streets and block after block, "for rent" signs are empty stores.

**MH:** The same thing happening in the street that I live in in this three block block area. It's sort of like a high street type area. Boutique street. There are at least twelve. Shops closed. We have a mayoral race coming up. People just can't afford the rents. We have a mayoral race coming up. One of the big topics, of course, of that is the rental prices in the city of Munich. It's just everywhere the same, of course, in major cities. What should candidates really be, I mean, there's lots of talk about doing caps, capping the rents and so on for six years and this kind of thing. But the rents are too high already. You cap them at the rate they're at, then, I mean, doesn't make it any more affordable. I mean, what should they be doing?

**MH:** There's a simple way to keep housing prices down, and that is you prevent land prices from going up by imposing, by doing what Adam Smith, John Stuart Mill and the whole classical economics of the 19th century advocated. The land, prices go up not because of enterprise, but because of population growth, but mostly because of bank credit. If you tax the increase in the land value, then the banks will not be able to lend against that. Now Germany has the lower lowest real estate taxes of almost any country. And that's because it has a tradition of not having a real estate class dominated society, not a Donald Trump type economy. But if Germany begins to follow the US and English pattern and you let the banks lend more and more to inflate housing prices, then you're going to you're going to continue to shrink. Germany is beginning to shrink. And I've seen bank reports that say, look, if we can just lower German living standards by 20 percent lower than by 30 percent, then we're going to have these German technicians and workers. They're going to have to emigrate. The German population must fall by 30 percent in 20 years. Your incomes must fall by 50 percent in order to let the banks make the German real estate market look like the US market.

**RJ:** Who was Saying that again? Who is saying that?

**MH:** The bank models show that the German population must fall, living standards must fall by 20 percent, 30 percent of your lifespans must shorten, your suicide rates must go up and your skilled labor must emigrate in order for your real estate market to provide the revenue to the banking system. That will make your banking system look like the American banking system and the British banking system. Eighty percent of the money will all go into real estate. It's a circular flow pushing up,

pushing up, pushing up the price of housing, causing an umbrella for rents to go up and Germany will end up looking like Greece. That is the economic plan. Your economic leaders of all your parties except the Linke want Germany to end up looking like Greece. That's their plan. They say that that's progress and it's progress for the banking class. And this is the implicit war that somehow is not being discussed in Germany.

**RJ:** You often have talked about Europe as a dead zone. You've called it a dead zone. I'd like to know why you think it's a dead zone. Where are we heading? What's the future look like for Europe?

**MH:** The idea of dead zone was formulated by the U.S. defense secretary under Bush. And the reason it's a dead zone is you don't have any ability to spend money into the economy because of the. The Eurozone is a dead zone, because you cannot run budget deficits of more than 3 percent, because you believe that budget deficits should be avoided in order to make sure that all of the credit is created by banks at a high interest. And how did banks great credit? They lent to the housing and inflate asset prices. So the Eurozone has a plan of asset price inflation for banks, for real estate, for stocks and bonds. They are to be supported. You've created about four trillion euros just to support the stock and bond markets. When you could have spent this into the economy, you could have spent the economy and making Europe a just a utopia. And instead, you just used that to push up stock and bond prices for the 10 percent whose objective, whose economic model is to impoverish you. This is crazy.

**RJ:** Yeah. So what's the answer here? I mean, I've heard that in the United States there is some movement on public banking and stuff to publicly owned banks and so on. Should we be looking towards something like that, democratizing the central banks?

**MH:** You cannot democratize a central bank. They are the lobbyists for the banks. You need to have the treasury. You don't need a central bank. The Treasury, which is appointed by democratic elected representatives, should be in charge, not unelected. The central bankers are pretty much brainwashed. They believe that the way to make an economy prosperous is to impoverish 90 percent of the population. If people were brainwashed like that, you won't get rid them. You have to start all over again. Instead of re-educating somebody, you have to create a new institution and the new institutions should be developed within the Treasury. But as long as you have the Eurozone not permitting budget deficits of more than 3 percent and believing that a balanced budget is an ideal, it really means let the central banks, let the commercial banks take over and provide the economy's credit. Commercial banks lend differently from what a public bank would do. Commercial banks lend for corporate takeovers. For asset stripping. For raiding. To lend against assets. To inflate prices for real estate or for corporate raiders. Where public banks can spend money into the economy to make the economy richer. And the German economy is shrinking. It doesn't have to be this way, but in order to have an alternative to this way, you have to have a different economic theory. And that's not taught universities in Germany. Your economic departments are very right wing. And it basically they're looking at a parallel universe. A kind of science fiction world in which private enterprise and creditors and banks will make everybody rich and not impoverished. It's an inside out world.

**RJ:** You have released .. You mentioned it earlier. You released a German version of Killing the Host. It's called der Sektor. I highly recommend people go and check it out. I've read it twice back to back. I found it so interesting. And I would like to ask if there's going to be a German addition of ...and forgive them their debts.

**MH:** Yes. It's being translated now. It's taken about a year to be translated. A Berlin translator is doing it. And I'm hoping that Klett-Cotta may publish it as I did my Finance Imperium, which my Super Imperialism book. And I'm waiting to. I wanted to have my own translation done by somebody who knew assyriology, instead of turning it over to a publisher, to someone who didn't know the



Assyria logical terms. So that should be finished in about a month or two. And then I'll be turning it over to the publisher and it'll probably take them until next year to do it.

**RJ:** And you also mentioned that they'll be mentioned in the book that there'll be a sequel. You mentioned it today that they'll be in that there'll be a sequel. When can we expect that?

**MH:** I'm just finishing it now in English. That'll be published later this year. I think the Collapse of Antiquity, to show it collapses because of debt. And it's part of a trilogy, the final volume will be the tyranny of debt about how from the Middle Ages to the present, how. If you look at England and countries in the 12th century and 13th century, you had the papacy treating the royal governments, just like the IMF treats countries today. And you have the protests by Matthew Paris and other English historians saying look at look at what it's done by the demand we pay Peters (inaudible) to Rome and how it's impoverishing us all. What is happening today is part of an age old story and happens again in every era. So I want to have a whole history. A whole history of debt leading up to the 20th century.

**RJ:** Professor Michael Hudson, thank you so much for joining us.

**MH:** It's been very good to be here. Thank you for having me.

**RJ:** And thank you for watching. Please don't forget to subscribe to our YouTube channel. Click on the bell if you'd like to receive notification when we release new material. And if you'd like what you just saw and would like to support us in our work, you can do so by way of donation. All the information on how to donate. You can find at [activism.org](http://activism.org). Thanks once again and we'll see you next time.

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