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Greg Johnson, "Thoughts on Debt Repudiation" | Counter-Currents

Greg Johnson

13-17 minutes



Merry-Joseph Blondel, 1781–1853, “Solon, Legislator of Athens”

2,325 words

French translation [here](#)

In Ancient Athens, debtors who were unable to pay their creditors lost their land and were reduced to serfs who had to give their landlords one sixth of their produce in

perpetuity. If the debt exceeded the debtor's total assets, he and his family were reduced to slavery. A debtor could also become a slave by pledging his personal freedom for his debts.

By the 6th century BC, serfdom and slavery had become so widespread in Athens that the small landowners and militia men who were the backbone of Athenian society were disappearing. Wealth and power were becoming concentrated in the hands of a few families through the black arts of usury. Athens was thus in danger of losing the freedom guaranteed by its large, landed middle class, which was increasingly unable to resist the power of the rising plutocratic elite.

Thus to preserve republican government, the Athenian lawmaker Solon (c. 638 BCE–558 BCE) instituted the *Seisachtheia*, from *seiein*, to shake, and *achthos*, burden, i.e., to shake off the burden of debt. Solon's debt repudiation cancelled all outstanding debts, emancipated all slaves and serfs, and returned all property seized by creditors. Solon also instituted a legal limit to property size, to prevent the concentration of land into the hands of a few wealthy families.

Similar forces were at work in the Roman Republic. Debtors who defaulted could lose their property, their freedom, and even their lives to usurers. This led to the concentration of power and property in the hands of the few and the decline

of the small farmers and legionaries who were the foundation and strength of the Republic.

Rome, unfortunately, lacked a statesman with the vision of Solon. There was no wholesale debt repudiation, but some palliative measures were passed. For example, one of the provisions of the Lex Licinia Sextia of 376 BCE was the distribution of captured lands to establish small farms. The Lex Poetelia Papirina of 326 BCE abolished debt bondage (*nexum*).

But, as Brooks Adams summarizes so compellingly, the unrelieved march of usury—along with deflation and cheap slave labor—was one of the chief causes of the destruction of Roman freedom. (See Brooks Adams, "[The Romans](#)" and my own "[Brooks Adams on the Romans](#).")

Debt repudiation is also described in the book of Leviticus, where it is instituted on a 50 year cycle. In Leviticus 25:10, it is commanded: "Consecrate the fiftieth year and proclaim liberty throughout the land unto all the inhabitants thereof: it shall be a Jubilee unto you—and you shall return every man unto his own clan, you shall return every man to his family." This is taken to mean the abolition of debt slavery and indentured servitude.

The Jubilee is also connected with land reform. In Leviticus 25:23 we read: "The land must not be sold permanently, for the land belongs to me. You are only foreigners, my tenant farmers." In Leviticus 27:21 we read: "When the field reverts

in the Jubilee year it shall become holy unto the LORD, as a field set apart; and it shall become owned by the priests.”

The purpose of the Jubilee seems to be the prevention of the concentration of land (the primary form of wealth in pastoral and agricultural societies) in the hands of a few families through usury, which results in the loss of land and liberty for debtors who cannot pay. Presumably, after the Jubilee, when land reverts to God (under the administration of the priests), it is again divided up among small farmers, including newly freed slaves and indentured servants. The idea that all men are tenant farmers of God means that no men should be tenant farmers of other men, which is a strong affirmation of the idea of a society of small, independent farmers. (It is ironic that the ancient Jews argued against usury and debt slavery and in favor of agrarian populism, given the economic profile they later assumed as urban money-lenders, traders, and professionals. Apparently Jews had become an overwhelmingly urban and non-agrarian people by late antiquity.)

The common assumption of the Solonic *Seisachtheia* and the Biblical Jubilee is that freedom is a high political value. Freedom, moreover, is best secured by a society in which as many men as possible are free and able to support themselves on their own land. Freedom requires private property that is widely distributed. Over time, however, debt

and foreclosure lead to the concentration of wealth and power into the hands of the few, leading to the loss of freedom. Thus the preservation of freedom requires wholesale debt repudiation

The fate of debtors has become easier over the centuries. Debt slavery and serfdom are no more. Debtors' prisons were abolished in the United States beginning in 1833 and in the United Kingdom in 1869. Bankruptcy laws allow people to escape crushing burdens of debt.

The moral premise of bankruptcy laws is that individuals should not have their lives and prospects ruined by financial mistakes. Society as a whole is better off if a man can shake off his debts and focus on the future: pursue an education, start a family, start a business, etc.

But if it is right for individuals to shake off their own debts, then it is certainly right to shake off the debts imposed upon us by others, including people who are long dead, i.e., public debts. Life is lived forward. Ascending life should not be shackled by the dead weight and accumulated mistakes and debts of the past.

Debt may no longer lead to slavery or prison. But debt still corrodes freedom in subtler ways. Those who are self-employed have more liberty of thought and action than employees, who are pressured to conform to the opinions and tastes of their employers. For the same reasons, property owners are freer than renters. And debt and

foreclosure are the major factors in turning the self-employed into employees and property owners into renters. Thus if we wish to reestablish a society with a large middle class of self-employed farmers and businessmen, we need to revisit the idea of debt repudiation.

America's national debt is now beyond \$15 trillion and counting. The debt now approaches \$50,000 per American citizen, \$135,000 per taxpayer. Unless we have radical change, it will only get bigger. And in addition to paying those debts, taxpayers will also have to fund Social Security, Medicare, and Prescription Drug liabilities approaching \$120 trillion and counting. That means that every white baby born today is saddled with \$1.2 million in federal debts and liabilities (provided that he becomes a producer not a parasite). And this does not include state and local government debts.

But ask yourself: when a pregnant Mexican sneaks across the border to drop her "anchor baby," is she bringing America another taxpayer to assume \$1.2 million in debts and liabilities run up by Gringo politicians? Or is she here to add to the burdens that must be borne by white children?

Remember this when the eyes of immigration apologists grow moist describing the travails of hard-working people from around the globe who only wish to "contribute" to the great American experiment. Are they here to contribute more than \$1.2 million apiece? Obviously not. They are coming to

take, not contribute. They are coming to add to our burdens, not share them. Ultimately, they are coming here to replace us and our posterity. And when they are the majority, they are not going to go on laboring to feed and medicate old white people. They are going to pull the plug and take care of their own.

In addition to public debt, Americans also have trillions of dollars in personal debts, primarily in the form of credit cards, home mortgages, and student loans, some of them accruing interest at ruinous rates.

Nobody seriously thinks that all of these debts will be repaid. It is not a question of whether they will be repudiated, but how. The most likely method will be the devaluation (inflation) of the dollar. Someday, you might have the choice of paying \$100,000 to pay off your student loans or to buy a cup of coffee. And since we'll always be able to buy a cup of coffee, maybe hyperinflation would not be such a scary prospect, except that it creates economic and social chaos.

Beyond that, inflation is deeply unfair. When the currency is inflated, it is not all devalued at once. Instead, huge amounts of money are handed over to politically connected insiders. When they spend this money, it has the purchasing power of the previous day's non-inflated currency. But with every subsequent transaction, as the value of the money is discounted, its purchasing power drops. So the first man who gets to spend a \$100 bill can buy a nice dinner for two,

but the last man who spends it can't afford a taco. That can only lead to further concentration of wealth in the hands of parasites.

From a White Nationalist point of view, the most important thing is to accomplish debt repudiation with a minimum of interference in the real economy, particularly the core biological functions of the economy: the preservation and reproduction of our race. We cannot have bursting silos and empty stomachs. We can't have creditors seizing real assets for merely notional debts.

But before we deal with practical questions, we need to deal with the moral question of the *rightness* of debt repudiation.

Two points of clarification: First, I am not arguing for the wholesale repudiation of debts between individuals or businesses. Sometimes such debts need to be repudiated, but this can be handled with existing bankruptcy laws.

Second, I am not arguing for the wholesale repudiation of Social Security, Medicare, and other such entitlements. I believe that these sorts of programs ought to exist in some form. The existing programs should simply be improved, not abolished.

What I specifically wish to establish is the morality of repudiating *government* debts and all private debts *to banks*.

Ultimately, only the ends justify the means, and in this case, debt repudiation is justified as the means to restore and

preserve a society with widely distributed, securely held private property, which is the foundation of a large and powerful middle class. Aristotle argued that such a society best equips the majority to resist the tyranny of elites, although Aristotle could not have imagined the ultimate in tyranny: an elite so wicked that it would work for the destruction and replacement of its own people.

But debt repudiation would not merely help preserve our people. It would also simultaneously strike a blow against our enemies, who are deeply invested in the financial sector of the economy.

Let's deal with government debts first. The moral principle behind public debt is that governments, acting in the common good of the people, can create collective obligations, such as laws, treaties, or debts. Although one can question whether many government policies really are in the common good, I accept the underlying principle that there are collective goods that can justify collective obligations.

My question is: Why do governments need to go into debt in the first place? Why do governments have to borrow money at all when they can either (a) print it, or (b) raise it through taxation?

In the past, currency consisted of scarce bits of shiny metal. If the government needed more of these bits than it could raise by taxation, it had to go to people with hoards of coins

and borrow them at interest.

But in today's world, in which governments can simply *print* money, why is there any need to borrow it from banks? Particularly when the banks themselves just make up the money they lend out.

Thus my argument is simply that public debt is wrong because it is not necessary. It is, therefore, fraudulent to justify public debt in the name of the common good. Public debt is actually a way of making the society as a whole—specifically, the taxpayers—subservient to private interests (banks) and even to alien peoples (market dominant minorities, foreign governments).

But a free people should serve its own interests—and, I would argue, the higher interests of life—not foreign interests or private interests. Such debts should, therefore, be repudiated.

As for the foreign governments holding US bonds, we should offer them the following compensation. They can keep all the factories that American businesses have built over there, and they can use them for domestic production. Because debt repudiation should go hand in hand with the restoration of economic nationalism, including tariffs on imported manufactured goods. So businesses that wish to sell products in the United States should have to manufacture them here.

As for the repudiation of debts to banks: this is necessary, because existing debts can never be repaid, and it is moral for the reasons already laid out above. Beyond that, it is morally absurd to hold that banks, which create money out of nothing, have a right to demand the repayment of their principal plus interest. In the end, however, the case for the repudiation of bank debt rests on the existence of a viable alternative financial system, some elements of which I have sketched in my essay "[Money for Nothing](#)."

The repudiation of government and individual debts should be a political imperative for White Nationalists. When White Republics emerge, we will of course repudiate the debts of predecessor states. But even within the present system debt repudiation should be stressed by White Nationalists, for it would prove a very popular political plank. Debt repudiation would also be useful to break White Nationalists away from the dead ends of Republican conservatism and "free market" economic orthodoxy.

Of course the primary aim of White Nationalism is to secure the existence of our people and a future for white children. But if that does not get people's attention, then promising to cancel their credit card, student loan, and home mortgage debts definitely will.