



Essay

Infinite Debt: How unlimited interest rates destroyed the economy

By Thomas Geoghegan

(p. 31)

Prominent labor lawyer, former congressional candidate (for Rahm Emanuel's open seat in Illinois), and author of the definitive title on labor relations, *Which Side Are You On*, Thomas Geoghegan writes on American usury. He begins his report by noting the extraordinary fact of how America "dismantled the most ancient of human laws, the law against usury, which had existed in some form in every civilization from the time of the Babylonian Empire to the end of Jimmy Carter's term, and which had been so taken for granted that no one ever even mentioned it to us in law school. That's when we found out what happens when an advanced industrial economy tries to function with no cap at all on interest rates." Geoghegan makes a convincing case for the idea that usury is the hidden-in-plain-sight source of our ruinous financial condition. With the overturning of interest-rate laws in the 1970s, usurious rates created the ultimate in perverse incentives: soon profits in the financial sector so dwarfed those of sturdier industries that every capitalist strove to become a banker, and many of those sturdy companies to become pseudo-banks. The resulting capital flight established the lopsided framework for the current catastrophe.

Letter from Tennessee

Usury Country: Welcome to the birthplace of payday lending

By Daniel Brook

(p. 41)

Daniel Brook's report on payday lending (the business of making small, short-term loans from retail locations) wherein legal interest rates can reach 2,000 percent, is an on-the-ground counterpart to Geoghegan's essay, "Infinite Debt." Brook notes, "Like a sharecropping contract, a payday loan essentially becomes a lien against your life, entitling the creditor to share of your future earnings indefinitely." Brook travels to Tennessee to investigate what he terms the modern-day sharecropping of the neofeudal economy.

HARPER'S INDEX

Average number of years after the beginning of a severe economic downturn that economic growth resumes : 2

Average number of years until unemployment reaches its peak : 5

Estimated amount by which the U.S. GDP increases for each additional dollar of tax cuts : \$1.03

Amount for each additional dollar of infrastructure spending and food stamps, respectively : \$1.59, \$1.73

Date on which New York State's unemployment trust fund ran out of money : 1/1/2009

Annotation

Interior Depredation: How the government fritters away our oil riches

By Bryant Urstadt
(p. 54)

Bryant Urstadt picks apart a U.S. government oil delivery contract drafted by the Minerals Management Service (MMS). The document is an invitation to bid on \$1 billion worth of American oil taken by the MMS, in lieu of cash, from companies that drill on public land. Urstadt dissects the government agency's gross mishandling of our natural resources, a practice that had, up until now, gone largely unscrutinized. The spokesperson for the MMS, Drew Malcomb, refused to cooperate with Harper's as it looked into the details of a specific oil lease, stating, "I won't put a band-aid on a piece of shit."

Letter from Phnom Penh

Cambodia's Wandering Dead: The ghosts of genocide pay penance for Western guilt

By Ben Ehrenreich
(p. 59)

Ben Ehrenreich draws a parallel between genocide tourism—killing fields transformed into a memorial site; a Khmer Rouge prison made a museum—and Cambodia's ongoing genocide trials of 2008. Western governments viewed the trials as the "last chance" for justice; for Cambodians, that stark ultimatum was inorganic and false, but they played along.

ONLY ON HARPERS.ORG

Washington Editor Ken Silverstein
continues to expose corruption in

Washington, D.C., Contributing Editor

Wyatt Mason writes on literary excellence

in its many forms, and cartoonist Mr. Fish
skewers the culture with his

Friday cartoons.

This release is also available at
harpers.org/PR/highlights

Harper's Magazine writers and editors
are available for interviews.

From READINGS:

[Taxonomy]

BEER HALL TUSH

From a list of prostitutes available in Weimar-era Berlin, compiled by Mel Gordon, in the Winter issue of Cabinet. Because prostitution was illegal, prostitutes had to signal their vocation indirectly. Gordon is the author of Voluptuous Panic: The Erotic World of Weimar Berlin.

BOOT GIRLS: Dominatrices whose sexual services were signaled by the color of their boots, laces, and ribbons, sometimes worn in combination.

BLACK BOOTS: Buttocks cropping (lying on bed).

BROWN BOOTS: Asphyxiation by boot or stockinged foot.

COBALT-BLUE BOOTS: Penetration by female.

SCARLET BOOTS: Cross-dressing humiliation.

BLACK LACES: Punishment with a short whip.

GOLD LACES: Defecation on chest.

WHITE LACES: Collared like a dog.

WHITE RIBBONS ON TOP OF BOOTS: Male customer begins as the dominant figure and ends as the submissive party.

DOMINAS: Leather-clad women who specialized in whipping, humiliation, and other forms of punishment, and worked in lesbian nightclubs that admitted heterosexual couples and male clients.

FOHSES: Independent prostitutes who advertised in newspapers and magazines as manicurists or masseuses.

GRASSHOPPERS: Streetwalkers who performed oral sex in the Tiergarten.

GRAVELSTONES: Physically deformed women who worked in north Berlin.

MEDICINE GIRLS: Child prostitutes who were "prescribed" by pimps posing as physicians in phony pharmacies in west Berlin.

MUNZIS: Pregnant women who waited under lampposts on Münzstrasse.

RACEHORSES: Masochistic prostitutes who worked in Institutes for Foreign Language Instruction, where the schoolrooms were equipped with bondage equipment.

TAUENTZIEN GIRLS: Women wearing the latest fashions and hairstyles, often working in mother-daughter teams near the Kaiser Memorial Church.

TELEPHONE GIRLS: Child prostitutes, aged twelve to seventeen, who were made to resemble junior versions of theater or film starlets and were ordered by telephone.