

# Debt, Interest, and Tau-Suppression

## *How Compounding Interest Drains Tau-Flow from Future Addresses*

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### Abstract

Debt is the most powerful mechanism in modern economies for redirecting Tau-flow across time. The Force of Time (FOT) provides a physical account of debt as advance consumption of future Tau-flow, and of compound interest as a systematic drain on the Tau-flow capacity of borrowing addresses. This paper derives the FOT analysis of debt, interest, compound growth, sovereign debt, and the relationship between debt and Tau-address autonomy.

### P-DEBT-1 · Debt as Advance Tau-Flow Consumption

Standard economics treats debt as intertemporal exchange: present consumption traded for future repayment. FOT gives this a physical basis: debt is the advance consumption of Tau-flow that has not yet been generated by the borrowing address.

#### P-DEBT-1

Debt is a claim on future Tau-flow. The borrower receives present Tau-flow tokens (money) in exchange for a commitment to redirect future Tau-flow (principal + interest) to the lender's address. Debt is therefore a Tau-flow mortgage on the borrower's future.

This is not metaphor. The borrower's future working hours, creative output, and autonomy are all modes of Tau-flow. Debt legally redirects these future flows before they exist. The burden of debt is the reduction in the borrower's available Tau-flow for self-directed activity.

### P-DEBT-2 · Interest as the Price of Tau-Flow in Time

Interest is the premium paid for receiving Tau-flow tokens now rather than later. FOT grounds this in the physical directionality of time: future Tau-flow is genuinely less accessible than present Tau-flow.

#### P-DEBT-2

Interest rate  $r$  is the Tau-flow premium per unit time — the cost of accessing future Tau-flow in the present. A positive real interest rate reflects the genuine Tau-cost of bridging the temporal distance between present and future Tau-addresses. Negative real rates imply Tau-flow destruction at the system level.

Negative real interest rates (common post-2008) are therefore a Tau-anomaly: the system is paying borrowers to consume future Tau-flow, which implies the total Tau-flow capacity of the system is expected to contract. FOT predicts that sustained negative real rates are a symptom of Tau-flow stagnation.

### P-DEBT-3 · Compound Interest as Exponential Tau-Drain

Compound interest causes debt to grow exponentially. FOT identifies this as a systematic mechanism for concentrating Tau-flow from many borrowing addresses into a small number

of lending addresses.

### **P-DEBT-3**

Compound interest at rate  $r$  causes debt  $D$  to grow as  $D(t) = D(0) \times e^{(rt)}$ . Since Tau-flow capacity of individual addresses grows linearly (bounded by working hours and cognitive capacity), compound debt grows faster than the borrower's Tau-flow can service it. This is the mathematical inevitability of debt spirals.

The exponential growth of financial claims versus the linear growth of real Tau-flow capacity is not a policy failure — it is an arithmetic certainty. Any society permitting unconstrained compound interest will eventually reach the point where debt service claims exceed available Tau-flow. Default, inflation, or debt jubilee are the only Tau-conservation-consistent resolutions.

## **P-DEBT-4 · Sovereign Debt and Collective Tau-Mortgaging**

When governments borrow, they mortgage not one Tau-address but the collective Tau-flow of all future citizens — Tau-addresses that do not yet exist and cannot consent to the arrangement.

### **P-DEBT-4**

Sovereign debt is a Tau-mortgage on future collective Tau-flow. Each unit of sovereign debt reduces the Tau-flow autonomy of all future Tau-addresses in the jurisdiction — they must redirect Tau-flow to service inherited debt before directing any to their own purposes. Intergenerational debt is Tau-suppression of the unborn.

FOT does not prohibit sovereign debt — it clarifies its nature. Borrowing for Tau-productive investment (infrastructure, education) is self-liquidating: it generates future Tau-flow exceeding the debt service cost. Borrowing for current consumption is pure Tau-mortgaging of future addresses without return.

## **P-DEBT-5 · Debt Cancellation and Tau-Liberation**

Ancient societies periodically cancelled debts — the Jubilee tradition of Leviticus, the Athenian seisachtheia of Solon. FOT gives these practices a physical interpretation.

### **P-DEBT-5**

Debt cancellation is Tau-liberation: the restoration of Tau-flow autonomy to borrowing addresses whose future Tau-flow had been mortgaged beyond their capacity to service. When debt exceeds the realistic Tau-flow capacity of borrowers, the debt is already economically fictitious — cancellation recognises physical reality.

The moral argument for debt cancellation is strengthened by FOT: if compound interest mathematically guarantees that some Tau-addresses will be unable to service their debts regardless of their effort, then the debt represents a Tau-claim with no corresponding productive basis — a pure Tau-extraction mechanism rather than a fair exchange.

## **P-DEBT-6 · The Debt-Free Economy: Tau-Conservation in Finance**

FOT suggests that a Tau-conserving financial system would replace compound interest debt with instruments whose claims on future Tau-flow are bounded by the actual Tau-flow capacity of borrowers.

## **P-DEBT-6**

A Tau-conserving financial instrument links repayment to the actual Tau-flow generated by the investment, not to a fixed exponential schedule. Equity (profit-sharing) and revenue-linked lending are Tau-conserving; compound interest debt is not. Islamic finance's prohibition of riba (usury) is Tau-conservation in traditional form.

FOT does not prescribe any particular financial system. It identifies the physical constraint: financial claims on future Tau-flow cannot sustainably exceed the Tau-flow capacity of the economy. Systems that ignore this constraint periodically collapse — as Tau-conservation reasserts itself through crisis.

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