

ANOTHER DAY OLDER AND DEEPER IN DEBT
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DEBT IN TWO DIMENSIONS
Wisdom Teachings from Ancient Sources

Matthew 18:23-35

Jesus said, therefore is the kingdom of heaven likened unto a certain king, which would take account of his servants. And when he had begun to reckon, one was brought unto him, which owed him ten thousand talents.

But forasmuch as he had not money to pay, his lord commanded him to be sold, and his wife and children, and all that he had, and payment to be made.

The servant therefore fell down, and worshipped him, saying, "Lord, have patience with me and I will pay thee."

Then the Lord of that servant was moved with compassion and forgave him the debt. But the same servant went out, and found one of his fellow servants, which owed him a hundred pence; and he laid hands upon him, and took him by the throat, saying, "Pay me what thou owest."

And his fellow servant fell down at his feet and besought him, saying, "Have patience with me and I will pay thee all."

And he would not; but went out and cast him into prison, till he should pay his debt.

So when his fellow servants saw what was done, they were very sorry, and came and told the Lord all that was done. Then his Lord called the servant to him and said unto him, "You wicked man. I forgave thee all that debt, because you asked me. Should not thou also have had compassion on thy fellow servant, even as I had pity on thee?"

And his Lord was angry, and delivered him unto his tormentors, till he should pay all that was due unto him.

So, likewise, shall my heavenly Father do also unto you, if ye from your hearts forgive not one another's trespasses.

An African Legend: How Debt Came to the Ashanti

One day a hunter named Soko had to flee his own village because he owed a debt that he did not wish to pay. Eventually, he came to the land of the Ashanti, whose people were worried about the presence of this stranger

because they had never known debt. They sent their wise men to Soko to tell him he must rid himself of the debt if he wished to live among them.

Soko cannot imagine how to do this, but Anansi, a powerful spirit, had heard about Soko and his problem. Seeking out Soko, Anansi finds him making palm wine. Desiring the wine, Anansi tells Soko that getting rid of his debt will be easy. All that Soko has to do is say, "Whoever drinks my palm wine will take the debt from me."

Soko says this and Anansi offers to drink the wine. In so doing, he drinks the debt as well. Afterward, Anansi plants a field and says that whoever eats the grain will take the debt.

A bird eats the grain and takes the debt from Anansi. When the bird lays eggs, she says that whoever breaks her eggs will take the debt. Well, a falling branch breaks the eggs and causes the tree to inherit the debt.

The tree then says that whoever eats its blossoms will own the debt. A monkey eats the blossoms and now he has the debt, and the monkey says that whoever owns him will in turn own the debt. When the monkey is eaten by a lion, the lion says that whoever eats him will take the debt.

One day Soko is hunting and kills the lion. He returns to the village and shares the meat with all of the people. Because all the people eat, everyone owns the debt. This is how the hunter, Soko, and the spirit Anansi brought debt to the Kingdom of Ashanti.

** REFLECTIONS **

Last weekend Trina and I found ourselves in the Twin Cities for the graduation of our son, Kyle from the Minneapolis College of Art and Design. It was a very special occasion for us, as I imagine it is for most parents who have watched their children blossom and mature in the course of earning their degree. In addition to the usual commencement activities, this graduation also featured an exhibition of senior projects - an impressive display of high caliber work by 100 budding artists.

Our son has been fortunate to be able to pursue a line of study that challenges him and in which he is mentally and emotionally invested. He knows what he wants to do and is determined to do it well. But he is also fortunate for a second reason: he has earned his Bachelor of Fine Arts degree without incurring any debt. Whether or not he finds a decent paying position as a professional illustrator, at

least he will not have to carry a burden that oppresses many of his peers.

The amount of debt today's young people are saddled with is alarming, given the paltry wages most expect to receive if they find gainful employment at all. It was recently reported that two out of three undergraduates will leave school with student loan debts averaging almost \$20,000. In addition, many of these individuals will graduate carrying large credit card balances with their high interest rates. On average, Tamara Draut observes, those in the 25-34 age bracket spend nearly a quarter of their income on debt repayments - a worrisome figure since few are home-owners and these payments are not building any equity.

Kyle is not in debt because his parents paid his tuition and other college expenses. Trina and I are not in debt because we made it a priority to start putting money away for this very purpose twenty years ago. Like both sets of our parents, we have been chary about debt. We share the viewpoint of the early American statesman John Randolph who 200 years ago declared, "I have discovered the philosophers' stone that turns everything into gold," he said. "It is, 'Pay as you go.'"

This was a very common notion until fairly recently and a brief review of the history of debt reveals that previous cultures have generally sought to curb and discourage it. One of the oldest compendiums of law in existence - the Code of Hammurabi from the 18th century B.C. - required debtors to hand over a member of his family as an indentured servant to the person who had given them a loan. "They shall work in the house of their master for three years," the Code required, "and in the fourth year be given their freedom."

In the Roman Empire it was common for debtors themselves to end up as slaves and the same was true in ancient Israel. Indeed, one of the purposes of the Sabbatical or Jubilee year in Judaism was to require debt-holders to free such slaves after a certain period of servitude.

Judaism saw the accumulation of debt as sinful - in Aramaic the same word describes both concepts - and debtors were subject to severe social disapprobation. On the other hand, Judaism also took measures to insure that opportunistic lenders didn't take advantage of those in need by restricting their (the lender's) license to charge interest. "If thou lend money to any of my people that is poor by thee, thou shalt not be to him as a usurer," God

declares in the book of Exodus. The earlier story from Matthew's gospel was meant to underscore the obligation to be merciful toward poor debtors, rather than demand from them a pound of flesh.

In many parts of Christian Europe, draconian measures were taken to deter debt. During the Middle Ages, a debtor who slipped into bankruptcy was required to wear special clothing that brought attention to his degraded status. Debtors in both England and America were frequently imprisoned, and whereas other criminals were typically sentenced for a specific time period, debtors were held indefinitely, until their obligations had been met. Moreover, other classes of inmates were provided with food and clothing, but debtors were given nothing; family and friends outside the prison bore the burden of supporting them.

So strongly was debt frowned upon that these societies imposed severe penalties in order to insure compliance. And, Jill Lepore argues, for the most part the strategy worked: most debtors ponied up because "few things motivate prompt repayment of money owed than the prospect of a dark, dank dungeon," she writes. Its effectiveness in restraining debt is probably why England didn't abandon the practice until 1869.

Which is not to say that prison was always an effective deterrent. A person of wealth or stature could owe huge sums without worrying about legal sanctions. For instance, at the time of his death Thomas Jefferson owed various creditors over \$100,000 - an enormous sum in 1825. Several Founding Fathers, including Jefferson and Washington, owed small fortunes to British bankers and businessmen, which has led some historians to speculate that the War of Independence was waged not only to achieve political autonomy but also to gain release from unmanageable debt. Most of the time it was the poor who were prosecuted for debt; two-thirds of those jailed for debt in New York City in 1787 owed less than 20 shillings.

But while he didn't have to worry about languishing in a dungeon, Jefferson was privately tortured by his indebtedness. He shared the culture's prevailing belief that debt was shameful and consequently Jefferson lived most of his life with an uneasy conscience. "The torment of mind I endure till the moment shall arrive when I shall owe not one shilling on earth is such really as to render life of little value," he lamented.

It's doubtful that our third president would feel the same way today because, as Jill Lepore observes, in the

period between Jefferson and J.P. Morgan a significant shift occurred: the "market economy replaced the moral economy" and the belief that debt was intrinsically sinful or unsavory began to wane.

Since the 19th century, debt has become increasingly acceptable, even regarded by many as commendable. Without significant softening of popular attitudes toward debt, our free enterprise system could never have produced the incredible range of goods and services we enjoy today. Thus it has become tantamount to a "civic responsibility" to continue borrowing so that the U.S. economy can remain robust. Thus we see nothing wrong with the proliferation of credit cards in America - there are now 1.3 billion cards in circulation, four for every man, woman and child. Unfortunately, too many of us have, like Thomas Jefferson, over-extended ourselves and are now beginning to give the culture of easy-credit a hard second look. Debt may not be a vice, but perhaps it shouldn't be counted as a virtue either.

But financial debts aren't the only ones we have to worry about these days. Humankind is also in hock to the natural environment and our growing prosperity over the past century has been realized at an unacceptably high cost to the planet. Resources that accumulated over millions of years - water, energy, soil, mineral deposits, marine life - have been extracted at an unsustainable rate for decades and only recently have we begun to realize how imprudent we have been.

Unfortunately, we now find ourselves on the horns of a dilemma. In order to "fix" the problem of our financial debt we will need to stoke the economy. This means that new means of production must be found and more goods and services placed on the market. But for that to happen, John Gray observes, we will almost certainly be required to increase our debt to a planet that is already over-stressed and running out of resources.

These problems arose and have become increasingly hard to manage because debt became morally acceptable and because as a society we seem to have forgotten that debt does not go away, that eventually it must be dealt with. My new book, *Making the Good Life Last: Four Keys to Sustainable Living* contains a reference to Van Potter, a prominent UW researcher, pioneer in the field of bioethics and former member of this congregation. Toward the end of his life and after considerable reflection Potter identified a "fatal flaw" in the human character: a chronic inability to anticipate the potential evils that attend the

endeavors we undertake. In other words, we're disposed to see the upside but not the downside of our habit of borrowing from the natural, human and economic capital at our disposal. Add to this "flaw" a propensity to pursue short-term advantage with scant regard for the long-term consequences and we discover the underlying behavioral sources of our current crisis.

People simply cannot borrow responsibly if they aren't willing to think clearly about the future. Unfortunately, our whole culture seems to have decided to "let the future take care of itself" and consequently we have no idea how our children and grandchildren will manage the national debt, the trade debt, the environmental debt, the personal debts they will inherit.

What is called for, then, is not just a change in policy but more fundamentally a shift in outlook - a mental "reframing" of the problem is how behavioral economists George Akerlof and Robert Shiller put it.

These authors suggest that our economic behavior is guided less by "rational calculation" and the pursuit of "enlightened self-interest" than by explicit cultural cues that dispose us to act in a certain way. Hence, in countries like Singapore, Malaysia and China, saving is extolled as both patriotic and virtuous. In the 1990's conspicuous red banners were hung on the streets of Chinese cities proclaiming "saving is glorious!" It shouldn't surprise us, then, that personal savings in China comprise 20% of that nation's gross domestic product. In the U.S. on the other hand, where borrowing has been encouraged, the savings rate is now negative. Akerlof and Shiller note that,

...the people of China were motivated by a common patriotic vision for the future of China. There was a sense of a major new historical epoch beginning...that would return China to its place in centuries past. Each individual would gain in self-esteem by making her own contribution...and stories of struggle and sacrifice would one day be told with pleasure to grandchildren.

This is an example of psychological framing. Could such an approach work in a society as rife with hyper-individualism as our own, which lacks a clear vision of the common good? I, for one, am skeptical. Despite their financial and environmental indebtedness, many Americans continue to think of themselves as independent, self-made

entities, free of any obligation or duty to society at large. Most Americans would probably take exception to Montesquieu's statement that "at our coming into the world, we contract an immense debt to our country, which we can never discharge."

But if the frame of reference that has proven effective in a communal society like China isn't workable here, perhaps the concept of "stewardship" would help us resolve our debt problem.

To put it simply, stewardship means this: As a mortal being, I am not truly the owner of anything. Eventually, all that I have will pass on to others. My actual position is that of a caretaker, a person in temporary possession of assets received from former generations and that I am obliged to hold in trust for future generations. In my role as steward, it behooves me to be cautious, practical and far-sighted in my financial dealings.

Stewardship is not a new idea and was once widely accepted and applied in the western world. But with the growth and expansion of our consumer culture it fell by the wayside. Few Americans even know what the word means anymore.

As an example of this principle let's revisit Trina's and my relationship to our son. We provided for Kyle during his formative years and made certain financial sacrifices so that he would enjoy the same educational opportunities his parents did. But we do not expect Kyle to feel indebted to us, or think that by supporting him he now "owes" us something in return.

But while we don't want him to feel beholden, we do hope (and expect!) that Kyle will feel grateful for the provisions we have made for him. Gratitude increases the odds that a person will pass on the same benefits to their offspring. That is the spirit of stewardship: each new generation setting aside a portion of their wealth to help the next fulfill their potential.

People of character take this idea seriously. They don't evade their responsibility, as Donald Trump recently tried to do when he claimed that the recent economic meltdown was an "act of God" and not the result of speculative excess. The fact is, whether or not we owe anyone money, from the moment we take our first breath we are debtors and remain so until our very last heartbeat.

Like Donald Trump, Warren Buffet is a very rich man, but unlike "The Donald" he has always been sensible enough to acknowledge that there is really no such thing as a "self-made man or woman." Buffet freely acknowledges that,

his superior business acumen notwithstanding, he had all kinds of advantages:

I had a home where people talked about interesting things, I went to decent schools, I was born at the right time and place. I won the ovarian lottery.

Warren Buffet's unpretentious lifestyle and his determination eventually to give away the lion's share of his considerable fortune reveal a streak of gratitude and an appreciation of his own indebtedness to family, nation, co-workers and the social environment for what he has become. And this, of course, is the real lesson to be learned from the story of Soko and the Ashanti. The hunter didn't really bring debt to those people. They had always been in debt to and dependent upon the sentient world around them. All creatures great and small feed upon and rely on each other. Anansi, the spirit being, merely brings this debt to their awareness. An old Shinto saying from Japan drives the point home, and with it I will end:

The blessings of the gods of heaven and earth - without these, how could we exist, even for a day, even for a night.