DE-CODING MAMMON :

MONEY IN NEED OF REDEMPTION

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I certify that all material in this thesis which is not my own work has been identified and that no material has previously been submitted and approved for the award of a degree by this or any other university.

SIGNED..

Abstract

This thesis is an attempt to understand the suspicion of money implied in Jesus' statement that it is impossible to serve both God and Mammon. I argue on the basis of Scripture, reason and tradition that problems associated with money do not arise simply from the way it is used, but from the nature of money itself. This is argued in three sections. First I consider the history of money and in particular of the commodity theory of money. Second I consider the issues of debt and interest, of central concern in the Christian Scriptures. Finally I consider money through four different lenses: justice, value, desire and power. The argument as a whole leads up to the last of these. As was already suggested by Jacques Ellul fifty years ago, I argue that money must be understood as a cosmic power to which we are all subject and which is in need of redemption. In the second and third sections I make suggestions as to what the redemption of money might look like. I summarise the argument in a final section, 'De-coding Mammon'.

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INTRODUCTION

Origins and Purpose of the Thesis

When this study began in 2004, I was interested in the relationship between Christian theology and the whole phenomenon of globalization. Having lived for 15 years in Nigeria and seen something of the vast social and economic changes taking place in that country as a result of its relations with the outside world, many of which seemed to be to the detriment of its people, I was concerned to discover how globalization might be evaluated in Christian theology. This concern was strengthened by living the next 20 years in the UK and observing some of the effects of globalization on British society. As I began the study, however, I became more and more convinced that most of the problems produced by globalization are not in globalization itself but in the nature of money.

Jesus said, "You cannot serve God and Mammon" (Matthew 6.24, Luke 16.13) – a categorical statement which implies serious doubts about the nature of money – and this whole thesis can be considered as an exploration of why this might be the case. Money is generally regarded as a neutral phenomenon – a person can use it wisely or unwisely, but there is nothing wrong with money in itself. I shall try to argue that Jesus' warning rests on a perception that money is not neutral, but embodies profound negative values.

Even so, I have encountered surprise amongst many friends that money as an institution should be the subject of theological critique. It has been appreciated that theology might have something to say about the love of money, but not that it might have anything to say about money in itself. It is not without significance, perhaps, that the first book to be written explicitly on the theology of money was not written till 2007. [1] Since 2007, however, we have been overtaken by yet another crisis within the

[1] The year 2007 saw the publication of Philip Goodchild's *Theology of Money* (SCM Press, London).

capitalist system, which arose from a crisis of confidence in money. Suddenly it is being recognized that the roots of the whole monetary system may need to be re-examined, and that there might even be a place for theologians in the debate.

My strategy is to examine money in many of its aspects and functions and to argue cumulatively that it functions like one of the 'powers' mentioned in Ephesians 6.12. In light of this argument, I claim that the idea that money is to be regarded positively, or else as simply neutral, 'a medium of exchange', may be regarded as a deceptive illusion. To highlight this is important in a world where money is regarded positively, both by the general public and by governments, businesses and economists. In particular, this positive attitude is enshrined in, and promoted by, the economic philosophy of Neo-Liberalism, which has become dominant in the Western world over the last 30 years. It is my conviction that it is this positive appraisal of money which has produced many of the problems in contemporary society, both in the West and in the rest of the world, that it was central to the optimism that led to the severe financial crisis which surfaced in 2007, and that (unless repudiated) it will lead to the comprehensive destruction of the environment.

To be absolutely precise, the thesis to be argued is that the long-term tradition in Christian theology, from the Old Testament scriptures to the present day, points to the conclusion that money, left to itself, is an instrument with many negative outcomes, and should ultimately be recognized a cosmic power which works against the purposes of God and the well-being of society.

A major reason for advancing this thesis is that it is only occasionally that Christian writers have discussed explicitly the nature of money, and only in the last thirty years or so have the negative effects of using money become sufficiently clear to move Christian theologians from their characteristic emphasis on the love of money to a consideration of money itself. For the most part, therefore, I am compelled to explore the implications for the nature of money of writing that doesn't explicitly tackle it. In recent years, however, there have been some explicit discussions of the subject, and I shall argue these are actually building on a long-term tradition in which money has been viewed with suspicion.

It is not my purpose to consider arguments for the usefulness of money or for the good effects that it produces. This has been argued by others and is widely accepted. Indeed, I am not intending to cast doubts on these arguments. My concern is that, in concentrating on the positive effects of the use of money, there has been a tendency to ignore its negative effects. In this respect, we might perhaps compare it with fire, which has many useful effects, but is still very dangerous, and needs to be treated with great care. A crucial difference, however, between fire and money is that money is not created by God, but by selfish human beings, usually those with the greatest power, who have tended to arrange all the rules for its use to suit their own advantage.

It is also not the purpose of the thesis to produce specific remedies for the problems created by money in the present-day. In order to avoid the dangers of abstract theorizing, I shall from time to time make suggestions (or refer to the suggestions of others) as to what an economy could be like if money was redeemed and its negative effects removed. At the same time, there are other dangers when a theologian steps into the realm of the economist or the politician. Rather it is the intention of the thesis to alert the Christian community to aspects of its tradition which have been neglected or forgotten, so that those who have the expertise to produce definite proposals for reform may be able to take account of the theology inherent in their tradition.

As an illustration of Christian writers who have argued for a more positive attitude to money, we might take Brian Griffiths (Church of England) and Michael Novak (Roman Catholic). What is significant, however, is that they are not writing explicitly about the nature of money, so much as about the value of free markets. What is interesting also is that their Christian convictions do lead them to express a number of caveats.

The title of Griffiths' major work of 1984, *The Creation of Wealth* , with its deliberate echo of Adam Smith, highlights the claim that the market economy is the chief engine of human progress.[2] To justify this claim theologically he appeals to Genesis 1.28 : "Be fruitful and increase in number, fill the earth and subdue it". In his earlier book, *Morality in the Market Place*, he asserts, "If we accept …that man is created with a

[2] B. Griffiths : *The Creation of Wealth*. Hodder and Stoughton, London. 1984.

desire to work, subject to a charge to control and harness the earth, it follows that the process of wealth creation is something intrinsic to a Christian view of the world".[3] Despite this, Griffiths perceives the dangers attendant on a market economy. All the various justifications of the market from this perspective he considers "an attempt to present economic life as something which is impersonal, amoral, which can be expressed as a system, and which, as a system, has a natural tendency to equilibrium".[4] Indeed, he goes so far as to say that the market economy needs to be "rescued" from capitalist ideology. [5] This means for him (1) that economic life has to be judged within a moral framework (2) that economic life must be thought of in personal terms (3) that economic life needs to find equilibrium in the tenets of a distinctly Christian ideology. [6]

In *The Spirit of Democratic Capitalism* Michael Novak argues that democratic capitalism provides a framework within which individuals and societies can operate freely to achieve the ends they regard as important. "Democratic capitalism is not a system aimed at defining the whole of life. Its aim is to establish the practical substructure of cooperative social life" [7]. The arguments in favour of the market are partly pragmatic (the claim that it has been so successful) and partly libertarian (that it alone provides the freedom for individuals and groups to pursue the ends they consider worthwhile). Economic arguments are notably absent. The religious argument, such as it is, is simply a statement, unsubstantiated, that Christian values have been critical in the development of the market economy. "It is no accident that democratic capitalism arose first in Jewish-Christian lands".[8] It turns out that Novak's chief concern is the familiar one which Marx taunted (in the Communist Manifesto) that capitalism needs the virtues that Christianity inspires in order to make it work properly, and there is no recognition at all that money, when allowed to function freely, has many negative effects.

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[3] B. Griffiths : *Morality and the Market Place* . Hodder and Stoughton. London. 1982. p. 80.
[4] Griffiths, *Creation,* p107.
[5] Griffiths, *Creation* p. 110.
[6] Griffiths, *Creation* pp. 110-12.
[7] Michael Novak : *The Spirit of Democratic Capitalism.* The IEA Health and Social Unit, London. 1991 p. 65.
[8] Novak, p. 334.

Against such views I shall be arguing that, for all its value in creating economic growth, money also needs to be seen as a deceptive power which leads people into all sorts of problems.

Method of the Thesis

I write from within the Anglican theological tradition, with its sources in the Scriptures, reason and tradition - and particularly from the Evangelical section of that tradition, which places special emphasis on the role of the Scriptures. This tripartite division was first set out by Richard Hooker (1554-1600). In his "Of the Laws of Ecclesiastical Polity" Hooker debated in great detail the basis on which the Church of England was built, particularly in relation to the claims of Puritans. In his scheme of things, the Scriptures certainly had a major role. At the same time he laid great emphasis on the use of reason, and gave to the church authority to make laws for its own functioning, based on its understanding of the traditions inherited from the Early Church. [9] In his book "The Spirit of Anglicanism" (1965) H.F. McAdoo surveyed the writings of Hooker and his successors in the 17th. Century, discovering not so much a theological system as "a specific theological method which, varying in its stress according to the demands of different situations, consists in the appeal to Scripture, antiquity and to reason" [10] - "a threefold cord not easily broken" [11] – a system which has epitomized the Anglican tradition since that time.

In this thesis I will be including arguments based on all these three strands. In the case of reason, I will sometimes be presenting arguments made by writers with no pretensions to Christian faith, on the basis that God can give understanding to

[9] Richard Hooker : *Of the Laws of Ecclesiastical Polity* (in two volumes). Everyman's Library, Dent. London. 1907.

[10] H.R. McAdoo : *The Spirit of Anglicanism : A survey of Anglican theological method in the Seventeenth Century*. Black. London. 1965. ppv-vi.

[11] McAdoo, p80.

whoever He wills (rather as the Old Testament prophets often saw pagan nations as God's instruments). At the same time, it has to be recognized that much of the writing of those calling themselves Christians has also given great emphasis to the use of reason. In the case of the scholastics (whom I will discern as giving a distinctly negative picture of money), and in writers from the period of the Enlightenment (whom I will discern as giving a much more positive picture), there was much recourse to what is often called "Natural Theology". This has been variously understood over the years, but refers fundamentally to what can be discovered by the use of reason from what is presented to us in Nature. Such a discipline can be justified from the Scriptures by the argument of St. Paul in Romans 2. 14-15, where he argues that God's moral law is discernible by Gentiles with no access to the Mosaic Law. [12] However, the weakness of Natural Theology (as I shall seek to demonstrate) is that it can result in very general statements which are difficult to apply in practical situations, or else that it can result in statements of doubtful validity (which I shall demonstrate, for instance, in the case of John Locke) because of doubtful philosophical preconceptions. The tradition of the church I will treat with some care (as do the 39 Articles), but recognize that, as time passes and new situations emerge, the church has to seek new light for new problems. At the same time, it is my contention that the roots of almost everything that may be identified as Christian theology about money can ultimately be found in the Scriptures. Though the emphasis on these three strands has varied over the years, the official pronouncements of the Church of England have always asserted the central place of the Scriptures, even where there has been debate about their significance and interpretation. [13]

In taking this stance, it is not my intention to condemn those who may take a different stance or to claim that this is the only stance which a Christian can take. On the other

[12] A good description of the development of the Natural Law tradition over the centuries is given by Stephen J. Pope : "Natural Law and Christian Ethics" in Robin Gill (ed) : *The Cambridge Companion to Christian Ethics.* (Cambridge University Press, 2001, pp77-95).

[13] Even in the quite liberal report, *Christian Believing* (1976), the writers acknowledged, "Our access to the reality to which the Scriptures, in all their variety of expression, bear witness has at some stage to be through these scriptures. That is why the exposition of Scripture continues to be important in the life of the Church, and why the elaboration of Christian theology, with its own developing language tradition, is continuously related to the interpretation of Scripture" (The Doctrine Commission of the Church of England : *Christian Believing*. SPCK. London. 1976. p29).

hand, I do believe that to take such a position is to emphasize what is foundational to the Christian religion, and what has done most to govern the development of the Christian tradition, and this thesis is an exploration within that tradition.

Since Scripture is my ultimate criterion I need to say how I understand it. In the first place I accept the argument of David Kelsey that what we call Scripture is that collection of documents which gives identity to the Church. Thus, to be Church is to have one's identity fundamentally constructed by this set of texts. [14] These texts form a canon, a term which "points to the received, collected and interpreted material of the church, and thus establishes the theological context in which the tradition continues to function authoritatively for today." [15] On that premise I then read Scripture following the principles of Canonical Criticism as argued by James Sanders and Brevard Childs. For canonical criticism questions of authorship and historicity are not central, but attention is concentrated on the need to understand how a text functions within the whole canon. In appealing to Scripture I appeal to the authoritative documents of this community, read in relation to each other.

In this approach the element of canonization is crucial, since, in the case of both Jews and Christians, it is those scriptures finally accepted into their canons which have particular authority accorded to them. Of course, canonization was the climax of a long process. In respect of both canons (but particularly of the Jewish), the discipline of Historical Criticism has served to demonstrate that many individual books may consist of collections of quite diverse material, put together to embody particular strands of tradition. From my point of view, however, this will not be a matter of particular concern. Rather I shall be concerned to discover what it is that has been passed on in the various books that has concluded in their acceptance into canonical status.

I am referring here to the "Old" and "New" Testaments in that I am seeking to study the Christian tradition. The books accepted by Jews as canonical are also accepted by Christians, but they are obviously viewed through different spectacles in the different religions. In the words of Childs, "The Jewish understanding of the role of oral

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[14] David Kelsey : *The Uses of Scripture in Recent Theology*. SCM Press. London. 1975. pp91-92.

[15] Brevard Childs : *Biblical Theology of the Old and New Testaments*. SCM Press. London. 1992. p71.

tradition as an authoritative commentary on the written traditions affects a very different dynamic (midrashic) from that of Christianity….The Christian Church accepted the scriptures of the synagogue, as previously shaped, as part of its canon, and sought to interpret them according to Christian construals”. [16] In looking at the three elements of the Jewish scriptures, therefore, I shall be looking at them as they stand, without seeking to dissect or analyse them, but rather to hear what has been accepted as canonical within the Jewish community - all the time bearing in mind the interpretation of them that has been given in the scriptures of the New Testament.

It is my conviction that all the most significant elements in the later theology of money can be found in embryo in these Biblical documents. At the same time, I recognize that the Christian tradition has developed considerably in response to the changing contexts in which it has been formulated, and it is on this basis that I shall be referring to writers right through Christian history, from the Church Fathers to the present day. I shall be paying particular attention to writers from the last 100 years. I shall also be drawing on material which may not necessarily be the work of Christian writers, but which broadly comes under the heading of reason or experience. Throughout, I shall be attempting to discover what have been the specifically Christian attitudes to money as an institution, and what might be their particular relevance to the contemporary situation. In the light of Jesus’ suspicions about money, I will show how views of money in Christian theology have usually been distinctly negative, so that they often differ dramatically from those expressed elsewhere. In the ongoing debate I am presupposing that Christians will still have something to learn, but will seek to demonstrate that the Christian tradition contains insights which throw light on many intractable problems concerning money, and to argue that satisfactory solutions to these problems may well depend on acceptance of these insights.

The Word “Mammon”

The word “mammon” occurs just four times in the New Testament - in the AV and RSV versions of Matthew 6.24 and Luke 16. 9,11,13. It is an Aramaic word which Matthew

[16] Childs : *Old Testament Theology in a Canonical Context*. SCM Press. London. 1985. p6.

and Luke made no attempt to translate into Greek, merely transliterating it as *mamonas* . The translators of AV and RSV have also transliterated it for these English versions – though other English versions have opted for translations like "wealth" (NRSV) and "money" (NEB, GNB, NIV).

The derivation of the original Aramaic word is the subject of some debate amongst scholars. Hauck links it with the verb *'aman* to mean "that in which one trusts" [17], while Nestle suggests it might also mean "what is entrusted to man" or "that which supports and nourishes man". [18] In any case, it is clear that "mammon" did not refer only to money. It encompassed property, possessions, wealth or riches, whatever these might actually consist of.

It is interesting to consider why Matthew and Luke made no attempt to translate "mammon" into Greek. It could be because their readers understood what "mammon" meant, or because it had become a term in common use in the Christian community. On the other hand, it may have been the difficulty of finding a Greek word which was an adequate translation. Probably the safest way of rendering it in English would be "mammon", following the same tactic as Matthew and Luke. However, in the conditions of our day, "wealth" or "money" are more readily understood, and how much someone possesses is now described in most societies in monetary terms.

There is also some debate as to whether "mammon" has a neutral or negative connotation in the words of Jesus. In rabbinic writing the word was basically neutral (e.g. the targum to Proverbs 3.5 - "Honour God with your mammon" – the Palestinian targum to Deuteronomy 6.5 – "You shall love Yahweh your God with….all your mammon") – and in the Qumran writings. [19] It was, in fact, a general article of faith amongst Jews, that riches were a sign of God's blessing (e.g. Deuteronomy 28. 1-14, Job 42.19-17). However, mammon often acquired a negative connotation where

[17] F. Hauck : "Mamonas", in ed. Gerhard Kittel :*Theological Dictionary of the New Testament*. Vol. 4. Eerdmans. Grand Rapids, Michigan. 1968. p388.

[18] E. Nestle : "Mammon", in eds. Thomas Kelly Cheyne and John Sutherland Black : *Encyclopaedia Biblica*. A&C Black. London. 1899-1903. pp2914 ff.

[19] For a list of references in the Targums, see Thomas E. Schmidt : *Hostility to Wealth in the Synoptic Gospels*. Sheffield Academic Press. 1987. Note 131. p197.

wealth had been dishonestly gained or dishonestly used (as, for instance, in bribery)(Palestinian Targum 1 Sam 8.3, 12.3, Is 33.15, Amos 5.12).

On this basis, it can be argued that, in everyday usage "mammon" was generally neutral in tone, and this interpretation would seem to be supported by Jesus' argument in Luke 16. 1-12 in the parable of the "unjust steward", where the master commends the steward for his shrewdness in financial matters. This parable has been the source of much confusion . (How could anybody be commended for doing something so deceitful?) The confusion is much clarified, however, if it is appreciated that loans from a Jew to fellow Jews were condemned in the Mosaic Law. J.D.M. Derrett suggests very plausibly that the master could thus have been very grateful to the steward for putting right his transgression. [20] The epithet "unjust" should then be understood as referring to the steward's previous activities for which he was about to be dismissed.

Jesus goes on in this passage to urge his own followers to emulate the shrewdness of the steward by using "unrighteous mammon" (AV) / "worldly wealth" (NIV)(NEB)(GNB) to gain friends for themselves, so that when it is gone, they will be welcomed into heavenly dwellings (Luke 16.9). Here the encouragement seems to be, not to treat mammon as evil, but to use it honestly – even though it is described as "unrighteous mammon".

The difficulty here is that "unrighteous"(AV)(RSV), "dishonest" (NRSV) would seem to be a much more accurate translation of the Greek *adikos* than "worldly", and it could be deduced from this that, despite contemporary usage, Jesus himself regarded mammon as intrinsically evil. The alternative would be to see it as just another example of the way that Jesus often provoked his listeners by exaggerated language. From the rest of his teaching, however, we can see clearly, how Jesus regarded riches as a great spiritual danger to human beings. In Mark 4.19 he talks of "the deceitfulness of wealth". In Mark 10. 23-25 he says, "How hard it is for the rich to enter the kingdom of God". And Myers is probably right to see in Jesus' answer to the question about tribute to Caesar a profound scepticism about the money in circulation in his day. Jesus

[20] J.D.M. Derrett : *Law in the New Testament.* Dartman, Longman and Todd. London. 1970. pp48-77.

himself did not carry a denarius, nor would any serious Jew, partly because of the emperor's image which it bore, and partly because of its inscription describing Caesar as "august and divine son". [21]

There is in Luke 16.12 an intriguing (apparent) reference to unrighteous mammon as "that which is another man's"(AV) / "that which is another's"(RSV) / "what belongs to another" (NRSV)(NEB) / "what belongs to someone else" (GNB) / "someone else's property" (NIV). J.N. Geldenhuys takes this to be a clear indication that Jesus regarded mammon (i.e. everything we possess) as belonging primarily to God, who lends it to us liberally in order that it may be a blessing to man himself and to his fellow-men, and that it should be used to honour God. [22] This theme is not stated specifically anywhere else by Jesus, but it does fit in with ideas to be found in the Old Testament. In Leviticus 25.23 God is recorded as saying explicitly "the land is mine". In 1 Chronicles 29. 11-14 David says, "Everything comes from you, and we have given you only what comes from your hand". Martin Hengel feels that the interpretation of property as a "loan" entrusted by God, which has played so great a role in modern Christian discussion of property, can certainly be found in the preaching of Jesus, but considers it is not of central significance. [23] Be that as it may, if mammon is a loan from God, this does suggest that mammon was not, in his mind, intrinsically evil. In general terms, however, there can be no doubt that (for reasons that will emerge in this thesis) Jesus' attitude to mammon was one of considerable suspicion.

One further point concerns whether Jesus was giving personality to mammon in his references to it. This is another theme taken up by later writers , famously by John Milton. [24] I asked earlier <u>why</u> Matthew and Luke did not try to translate "mammon" into Greek ; one reason could be that they felt Jesus was giving it personality. Mammon is certainly regarded by Jesus as a rival to God, but this does not necessarily mean that he regarded it as a person. If he regarded it as a god, that god could be

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[21] Ched Myers : *Binding the Strong Man*. Orbis Books. Maryknoll, New York. 1988. p311.
[22] J. Norval Geldenhuys : *Commentary on the Gospel of Luke*. Marshall, Morgan and Scott Ltd. London. 1950. p417.
[23] Martin Hengel : *Property and Riches in the Early Church*. English translation by John Bowden. SCM Press. London. 1974. p29.
[24] John Milton : *Paradise Lost*. Part One, 579-580 and extensively in Part Two.

personal or impersonal. St. Paul talks about covetousness (the love of riches ?) as "idolatry" (Colossians 3.5, Ephesians 5.5), which could be taken as implying that he regarded money as an idol rather than a god. I shall later express a preference for regarding money as an instrument in the arsenal of malign spiritual beings, turned into a god by human attitudes to it, rather than a spiritual being in itself.

I conclude this section with the key affirmation of Jesus with reference to mammon – "You cannot serve God and mammon". This is stated without any qualification. According to Jesus, anyone "serving" mammon would be serving a rival to God. Obviously, this does not refer to the mere possession or use of mammon, but means that everyone who makes the accumulation and enjoyment of earthly goods the main object of their life is actually serving mammon rather than God. In the words of W.D. Davies and Dale C. Allison, "God commands an exclusive allegiance and obligation which must transcend all other claimants for a person's soul; while mammon, once it has its hooks in human flesh, will drag it where it wills, all the time whispering into the ear dreams of self-aggrandizement. The marching orders of God and of mammon are in entirely different directions."[25]

In normal human affairs it may be possible to serve two masters. Not so, however, if the relation is that of slavery (as in these passages) or if one of the masters is God – for God demands absolute obedience in every aspect of life. Jesus was speaking here to his disciples, establishing a basic principle about how they were to live in the kingdom he was setting up. This study begins, therefore, with a strong and uncompromising word from the founder of the Christian faith, which was bound to exercise enormous influence throughout the whole history of the Christian church.

[25] W.D. Davies and Dale C. Allison : *Commentary on Matthew* (International Critical Commentary). 1988 edition. T&T Clark. Edinburgh. p642.

The Overall Argument

From the Enlightenment to the present day, a period in which the world economy has expanded to an enormous degree through the widespread use of money, theologians have generally taken a very positive view of money, ignoring the fact that its use can also have many negative side-effects. There can be no doubt that money has served many helpful purposes, and I am not disputing this point. On the other hand, as I shall seek to demonstrate, the fact is that money is not the simple commodity that popular imagination takes it to be, nor are the effects of its use always benign. Rather, it is a highly complex phenomenon, created by human beings, and adapted by them over many centuries; and, as a creation of fallen human beings, it is as problematic as any other human institution. I will argue that this is, in fact, the long-term argument of the Christian tradition, which has come to be more appreciated in recent years , since money markets started to be de-regulated and the true nature money started to be revealed.

Section One provides a background to the study, showing that money cannot simply be regarded as a commodity. Section Two discusses the lending and borrowing of money, demonstrating, according to the insights of Christian theology, the particular problems this produces. In Section Three I evaluate money from four different standpoints – justice, value, desire and power. The last chapter of this section is the point to which my thesis tends : that money, which we so easily take for granted, must be understood as a cosmic power in need of redemption. Conscious of the dangers of abstract theorising I shall try in each chapter to say what the redemption of money might mean. A closing chapter will seek to draw the conclusions together, and emphasize the great urgency of remedial action.

The prevalence of the 'prosperity gospel' shows how many Christians have been blind to the dangers of money. [26] But even those who do not subscribe to this may need to

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[26] An extensive treatment of the spread of prosperity teaching can be found in Simon Coleman : *The Globalisation of Charismatic Christianity : Spreading the Gospel of Prosperity*. Cambridge University Press, 2000. A rebuttal of this teaching from an orthodox Evangelical viewpoint can be found in a statement of the Lausanne Theology Working Group, Africa Chapter, in the Evangelical Review of Theology, 2010, Vol 34, No 2. pp99-102.

re-evaluate their thinking. Joerg Rieger asks "What if money were to shape not only our actions and programmatic initiatives, but also our faith and our most cherished images of the divine, without anyone noticing ?" [27] The dominant ideologies of each age can have influence at a deep level of consciousness, and there is for all Christians a continual need, in the words of St. Paul, not to "conform any longer to the pattern of this world, but (to) be transformed by the renewing of (their) mind. Then (they) will be able to test and approve what God's will is – his good, pleasing and perfect will" (Romans 12.2).

[27] Joerg Rieger : *No Rising Tide*. Fortress Press, Minneapolis. 2009. p79.

Section One

THE NATURE OF MONEY

The impression given by the word “money” is that it refers to something simple and straightforward, easily identified and understood. In this section, however, I seek to demonstrate the enormous complexity of money. It is only on this basis that it will be possible to understand the many problems that money creates, and the attitudes developed towards it in the Christian tradition.

Chapter One

THE ORIGINS AND DEVELOPMENT OF MONEY

It can be argued (and I shall return to this later) that the idea of money (as a measure of comparative value) was present in the world before any commodity fulfilling that role. It has been suggested by Geoffrey Ingham that, even in the process of barter, the exchanging agents are comparing their products with each other in accordance with some more abstract measure of their respective values. [28]

It has been argued by several writers [29] that the idea of money was present, not only in barter exchanges, but in gifts given to superiors, the size of the gift demonstrating the importance of the person in the community. It could also have been present in peace offerings to people who had been offended, the size of the gift demonstrating the seriousness of the offence (blood money, offerings to gods, spirits or ancestors), and in bride money (whether bride-price or dowry). We also find powerful rulers taxing their subjects – and some of the earliest writing is actually elementary book-keeping, on clay tablets, recording the amounts of taxation paid . [30]

[28] "It is the money of account, regardless of the existence of any media of exchange or means of payment, that makes an orderly market possible. Money of account is logically anterior to the market". (Geoffrey Ingham : *The Nature of Money.* Polity Press, Cambridge. 2004. p34)
[29] For instance, Glyn Davies : *A History of Money.* University of Wales Press. Cardiff. 1994. pp11-13.
[30] Davies. p23.

The long-accepted theory, however, is that money (as a commodity) came into existence because of the inadequacies of the system of barter – for instance, the complexities involved if you wanted to trade in a number of different commodities, the requirement that the needs of each partner in an exchange should coincide, and the cost of storing unwanted items.[31] Early monies were of numerous kinds, especially grain and cattle (a man's wealth was often measured by the number of cattle he possessed.) [32] One money that survived in some places until the mid-20th, century (A.D.!) was the cowrie shell. Precious metals were in early use for this purpose, sometimes in the form of ingots or jewellery.

Geoffrey Ingham suggests that the first money economies were established in Mesopotamia around 3,000 B.C., when the organization of agriculture (based in that region on a mastery of irrigation) started to produce an economic surplus. "In the absence of coinage, most financial transactions in Babylon were based on the transfer and assignment of credits organized by the temples and palaces, and were based on their control of the stores of grain". [33] One is reminded immediately of the grain stored up by Joseph in Egypt to insure against his predicted famine.[34] At this stage, there was money, but no coinage.

When we look back to the beginnings of the Christian tradition, in the first books of the Old Testament (the Torah), there is already reference to the use of money. In Genesis 23.16 (NIV) Abraham is said to have bought a cave as a burial place for his family for 400 shekels of silver "according to the weight current among the merchants". Abraham is further said to be "very rich in cattle, in silver and in gold" (Genesis 13.2). Right through the first five books it is clear that silver and gold were used for many commercial transactions, but this was made much easier after the introduction of coins around 500 B.C. In the Old Testament money would have been treated as just one aspect of one's possessions, and of less significance than the land one possessed and the food one was able to produce from it. Ordinary people would probably have used it only rarely.

The first coinage is traditionally attributed to Croesus, King of Lydia (a Greek kingdom in modern-day Turkey) in about 640-630 B.C. [35] , and from that time onwards coinage became

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[31] Davies. 1994. pp15-17.
[32] Genesis 13.2, Job 1.3
[33] Ingham. 2004. p97.
[34] Genesis 41. 48-49.
[35] Herodotus : *Histories* 1.29.

the dominant form of money. Coinage was effectively a combination of a metal piece as a means of payment with a seal as a means of guaranteeing value. [36] Athens became a great centre of banking, based on money-changing, deposits and loans (with varying rates of interest). [37] Alexander the Great acquired many mines, mints and coins in the course of his vast conquests. He paid his cosmopolitan collection of soldiers in Greek coinage, and thus spread its circulation over much of the known world. [38] The Roman Empire, similarly, was controlled through its coinage, the emperors maintaining strict control of the various mints. That, indeed, was their chief tactic in economic affairs (along, of course, with taxation), leaving private enterprise to the field of production and trading. Davies asserts that "at the death of Augustus (A.D. 14) Rome's "sound money" was accepted over an area larger than any before or after until the mid-19th. Century. Half the national product was monetized, and all imperial trade was conducted entirely on a cash basis". [39] One of the empire's problems was that eventually there was insufficient coin able to be minted (and insufficient income from taxation) to cover the cost of maintaining such a far-flung empire. [40]

In the so-called "dark ages" this world-wide economy virtually collapsed, although there remained a skeleton economy based on the Roman money of account (where debts were settled in a wide variety of means of payment. [41] In Britain the country reverted for about 200 years to a completely money-less economy. In the end, the British had to re-learn completely how to mint and use coinage. [42] In the rest of Europe, the various tribal leaders and city states established their own systems of coinage, and tried to impose them on others. [43] Order was restored over much of Europe by the reforms of King Pepin the Short of France (731-68), the father of Charlemagne, who introduced a new standard for silver coinage based on pounds, shillings and pence, though the penny was the only actual coin in circulation for several centuries. [44]

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[36] Richard Seaford : *Money and the Early Greek Mind*. . CUP. 2004. p136.
Seaford gives a detailed description of the introduction of coined money in the Greek states, comparing the new situation with what is revealed in the writings of Homer.

[37] Davies. pp63-67.

[38] Davies. pp77-86.

[39] Davies. p101.

[40] Davies. pp102-4.

[41] Ingham, p105.

[42] Davies. p116

[43] Davies. p111.

[44] John F. Chown : *A History of Money from A.D. 800*. Routledge and the Institute of Economic Affairs. London. 1994. p23.

The Middle Ages

The tide began to turn in the 10th. Century. The main source of wealth was still in agriculture, but in this period it was boosted by an "agricultural revolution", based on major developments in agricultural techniques. This was accompanied by a steady increase in population, the development of local markets, a gradual increase in international trade and a modest development of "pre-Industrial Revolution industry." [45] This led in turn to an increase in the use of money and of banking. Many social duties, like military service, came to be commuted to payments of money.[46] Particularly important was the monetization of the relationship between landlord and peasant, whereby payments in money came to replace payments in kind. This is described by Georg Simmel as the magic moment of human emancipation – "a magna carta of personal freedom in the domain of civil law". [47] Even so, as Buchan points out, the tenant is still liable to make money payments. His bondage has simply been transferred to money [48] – a bondage to which I shall return.

In the first instance, the bankers were money-changers who changed money from one currency to another for the purposes of international trading. Then, around the year 1200, they started to take deposits of cash for safe-keeping. With this cash deposited with them, these early bankers then made loans to other customers, on which they made various charges (though, in the first instance, they had to find various ways of avoiding the church's prohibition of usury – to which I will return later). After this there followed the settling of accounts by means of bank transfer or a bill of exchange (rather than by large crates of cash).

The real beginning of banking, however, (according to Geoffrey Ingham) was when loans started to be made by bank credit. "This creation of credit-money by lending in the form of issued notes and bills, which exist independently of any particular level of incoming deposits, is the critical development that Schumpeter and others identified as the *differentia specifica* of capitalism".[49] In other words, the banks were in this way creating new money out of nothing, and increasing for the first time the money available for economic activity beyond what was

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[45] Lester Little : *Religious Poverty and the Profit Economy in Medieval Europe*. Paul Elek. London. 1987, pp8-15.
[46] James Buchan : *Frozen Desire*. Picador. London and Basingstoke. 1997. p58.
[47] Georg Simmel : *The Philosophy of Money*. English translation by Tom Bottomore and David Frisby. Routledge and Kegan Paul Ltd. London. 1990. pp285-286.
[48] Buchan. p59.
[49] Ingham. p115.

available through existing stocks of coin and other commodity money. A further development was the invention of double-entry book-keeping – which enabled merchants and bankers, by giving monetary values to all their assets and liabilities, and by including them on both sides of their ledger as a debt on one side and as a credit on the other, to have a much clearer idea of the state of their finances, how much they could afford to lend or borrow, and how profit was to be made. Above all, it was this invention that laid the foundations for the modern conception of profit – "not as some vague increase in possession, as in antiquity, but as something hard, even crystalline, mathematical and open to empirical test at any time whatever through an interlocking system of books".[50]

Further changes came about through the invention of the printing press, which enabled coins to be printed, and then bank notes – though it was, in fact, about 200 years before bank notes were printed. The first bank notes were actually produced by the Bank of Sweden in 1661.[51] More immediate in its effects was the far-flung trading of Spain and Portugal and the "voyages of discovery" which took Christopher Columbus to the "new world" in 1492 and Vasco da Gama to India in 1499, followed by many others in the ensuing years. This produced a flood of gold and silver into Europe – which could, if properly invested, have enabled a great development of the European economy. Much of it was spent, unfortunately, on inter-European wars, and the sudden increase in the amount of money in circulation simply led to a great increase in prices (inflation).[52]

In the early medieval period, bankers had mainly been Jews (who were not subject to the church's ban on usury) and the Knights Templar (who financed most of the Crusades). When the Templars' order was suppressed by the Pope in 1312, the door was opened wide to private bankers, particularly in Northern Italy, who are generally known as the Lombards. The best-known of these became the Medici, centred in Florence, but having branches all the way from southern Italy to London. Their primacy was eventually usurped by the Fuggers, often reviled by Martin Luther, who controlled enormous resources, which enabled them to pull political strings over the whole of Europe. Britain was slower off the mark, but the goldsmiths began to extend their taking deposits of money for safe keeping and lending it out, developing the cheque and the inland bill (a local version of the existing international bill of exchange).[53]

[50] Buchan. p68.
[51] Chown. p131.
[52] J. K. Galbraith : *A History of Economics*. Penguin Books. London. 1989. pp34-35.
[53] Davies. pp247-251.

Developments since the Seventeenth Century

The first important public bank (backed by a government or city council) was established in Amsterdam in 1609. Its support of Dutch commercial interests, with cash and with credit, was one of the chief reasons for the Dutch trading supremacy in the 17th. Century. Britain meanwhile was desperately trying to find more money to finance overseas trade and military ventures. This came to a head when William of Orange urgently needed money to fight the French. The answer was to follow the Dutch example with the establishment of the Bank of England in 1694 – to which were given the dual responsibilities of "lender of last resort" (to other British banks) and of control over the issue of currency. [54] This was a creation of immense importance for Britain, as it took control of the monetary system out of the hands of the crown , and produced the possibility of creating large sums in loans, backed by the state (which could always cover them by taxation). Its example was soon followed in other European countries. In relation to the issue of currency, Buchan notes, "In other words, the English crown gave up to the City its hard-won monopoly of making money, and its exclusive royalty. The articles of the Bank of England are a bourgeois Magna Carta : what the barons had started at Runnymede was completed at Mercers' Hall in Cheapside". [55]

The loans of the Bank of England were backed by its holdings of gold and silver (that is to say, there was a form of the "gold standard"). Already, however, loans were being made (particularly to finance government military operations) where such backing was far less than the money lent out. Such lending was acceptable as long as the bank retained public trust, but there was obviously great potential for abuse. In fact, one of the great issues in the American War of Independence was the degree to which banks could issue "paper money" (or governments issue government bills), and it remained an issue in the USA until 1900, when an effective gold standard was established. [56]

Other developments which encouraged greater use of money were those of insurance, overdraft, [57] and limited liability. Insurance companies in Britain became much more popular after the devastation brought about by the South Sea Bubble in 1819. Limited liability was first

[54] Davies. pp254-262.
[55] Buchan. p102.
[56] J.K. Galbraith : *Money*. Andre Deutsch. London. 1975. p100.
[57] Buchan. pp113-115.

formulated in the UK by an Act of Parliament in 1855 (and by subsequent legislation), which protected the shareholders of "limited" companies from having to pay out creditors beyond the limits of their shareholding [58], encouraging greatly the sums that investors were prepared to invest – and borrow. The Bank Charter Act of 1844, however, put a ceiling on note issues by the Bank of England and other banks. Designed to protect the value of the pound, this provision provided a degree of stability to the money system for nearly 100 years. [59]

The history of the capitalist system over the last 200 years has been one long struggle to keep economies stable in a system which is essentially unstable. Probably the most effective tool has been the Gold Standard formally established by Britain in 1821 and held intact until 1914 and for shorter periods since. The chronic problem of inflation (with its attendant reduction in the value of money) has been tackled in many different ways , particularly by fiscal policy and monetary policy. In the Great Depression of the 1930's, when nothing else seemed to work, J.M. Keynes encouraged governments to create extra money in order to get their economies moving.

After the Second World War the agreements made at the Bretton Woods conference were an attempt to put the global financial system back on a secure foundation. An initial hope had been that it might be possible set up an international Central Bank. This was thwarted, however, by the desire of the United States to maintain its economic supremacy – and the result was, instead, the creation of the International Monetary Fund, funded by contributions from member states, which would seek to maintain economic stability by loans to countries facing difficulties. A major tactic was to maintain fixed exchange rates between currencies in relation to the US dollar (which itself was pinned to gold), the dollar being given equal status with gold as a reserve currency. Though this system served well for a time, US holdings of gold (compared to dollars) fell steadily, until the US could no longer hold to the agreed ratio and abandoned it in 1971. In the same way, the IMF was not able to hold to the agreed ratio between its deposits and its loans. To deal with this latter problem, a further reserve asset was created, called "Special Drawing Rights". From 1975 it was also recognized that the Deutschmark, the Yen, the Swiss Franc, Sterling and the French Franc could be used as reserve currencies. All these assets have been used by the IMF to bail out currencies in difficulty, but with conditions attached which have often been too hard for a country to bear. Designed to enable countries to repay their debts to the IMF and other international creditors, these

[58] Davies. p318.
[59] Davies. p313.

conditions have often prevented countries from developing their countries as they might wish, and exaggerated the imbalance which they were supposed to correct. The World Bank, created at the same time as the IMF, was intended originally to make development loans for reconstruction following the Second World War, moving on after that to make loans to any developing country. Here also, however, the conditions attached to loans have often proved too burdensome. One of the great objections to both these institutions is the exaggerated influence of those countries providing most of their capital. A third creation of Bretton Woods was the General Agreement on Trade and Tariffs (known since 1995 as the World Trade Organization), which was formed to agree on common rules for tariffs and to reduce trade restrictions through a series of negotiating rounds. Although some progress has been made in this area, there remains, unfortunately, a reluctance on the part of some of the more powerful nations to abandon practices which are to their benefit.

Further attempts to produce stability have been the regulations of the Bank for International Settlements (that preceded the IMF, and established an international gold clearing system, balancing credits and debits between countries, in order to minimize actual gold shipments). The first of these (known as Basel I – 1988) required central banks to hold capital equal to 8% of their risk-weighted assets. Basel II (2004) is more flexible, establishing figures according to a number of relevant factors. Another attempt to create stability has been the European Monetary Union. In order to enter the Union, member states had to achieve convergence at various levels – fiscal deficits, price stability, exchange rate stability and interest rates. [60] Continuing membership required maintenance of these convergences, but the European Central Bank would give assistance in time of crisis. The introduction of the Euro has created a new phenomenon in the form of a currency shared by several countries. Meanwhile, the US dollar has (to all intents and purposes) achieved the status previously held by gold, but remains under US control.

[60] Treaty Sections 104(c) and 109(1).

Deregulation

Probably the most significant events of the recent past, however, have been the de-regulations of many financial processes encouraged by Neo-Liberal thinking. This thinking represents a revival of the "Laissez-faire" economics given its classic exposition in the work of Adam Smith. Its best known modern expositors have been Friedrich Hayek[61] and Milton Friedman[62]. Fundamentally, this thinking involves two main theses : (1) that a free-market economy is the best way to economic progress (2) government intervention in the economy should be reduced to a minimum. In the area of national economic policy, this means believing in the removal of all obstacles to free markets, and the minimum of government activity in promoting social welfare. In the area of international policy, it means objecting to all forms of protectionism and encouraging the free movement of both goods and capital. The relevance of this to our concerns is that this has become the dominant economic philosophy in recent years, shared even by the Labour governments of Tony Blair and Gordon Brown. It has also had a great influence on the international organizations like the International Monetary Fund and the World Bank – resulting in the so-called "Washington Consensus", by which "structural adjustment programmes" were imposed on nations as a requirement for receiving loans. The chief elements of IMF "advice" in the 1980s and 1990s were concerned with the reduction of taxes, privatization and market liberalization (all central tenets of Neo-Liberal thinking). In many cases, however, results have not been encouraging, and there has developed a strong protest movement, demonstrated particularly by the protest marches around meetings of the IMF and of the G8 nations.

There has also developed a considerable literature critical of the effects of de-regulation and the model of a free-market economy. One of the strongest of these critics is John McMurty, who has developed the idea that the philosophy of free markets has become a cancerous invasion of civil and environmental life-organization, in which society's immune system is undermined and disabled, and the sustainability of the external environment threatened. [63] As I shall demonstrate in Chapters Three and Four, it is the freedom to lend without restriction

[61] Friedrich Hayek : *The Road to Serfdom*. Routledge and Kegan Paul. London. 1948; and Friedrich Hayek : *The Mirage of Social Justice* (Vol 2 of *Law, Legislation and Liberty*). Routledge Kegan and Paul. London and Henley. 1976.

[62] Milton Friedman : *Capitalism and Freedom*. University of Chicago Press. 1962.

[63] John McMurty : *The Cancer Stage of Capitalism*. Pluto Press. London. 1999.

and at any rate of interest that is seen to be at the heart of this invasion, producing what Michael Rowbotham calls "the grip of death". [64]

Joseph Stiglitz (himself a leading official at the World Bank in the 1990s) has written :-

> Not all the downsides of the Washington Consensus policies for the poor could have been foreseen, but by now (2002) they are clear : We have seen how trade liberalization <u>accompanied by high interest rates</u> is an almost certain recipe for job destruction and unemployment creation – at the expense of the poor. Financial market liberalization <u>unaccompanied by an appropriate regulatory structure</u> is an almost certain recipe for economic instability – and may well lead to higher, not lower, interest rates, making it harder for poor farmers to buy the seeds and fertilizer that can raise them above subsistence. Privatization, <u>unaccompanied by competition policies and oversight to ensure that monopoly powers are not abused,</u> can lead to higher, not lower, prices for consumers. Fiscal austerity, <u>pursued blindly,</u> in the wrong circumstances, can lead to high unemployment and a shredding of the social contract. (my underlining) [65]

In other words, although Stiglitz is basically a believer in free markets, he has come to realize that allowing money and markets to operate without any restraints does not achieve the desired results.

In recent years, the IMF has changed its emphasis to that of "poverty reduction", and has appreciated that too drastic and quick action can be counter-productive. Basically, however, the Neo-Liberal philosophy maintains its dominant position, the same kind of recommendations continue to be made – and protests continue as well.

Contemporary Ramifications

We now encounter a situation where money exists primarily in the form of bank-created credit – based on the credit-worthiness of the borrower and the confidence inspired by the lender. The ordinary consumer may have a simple bank account, a bank loan, a mortgage, a credit card, a store card, a phone card and so on. What is not always appreciated is that once a bank has made a loan of any kind, there comes into force a "multiplier effect", whereby the loan (now being treated as part of the total store of money) becomes the basis for further loans. In theory, this process could go on *ad infinitum*, and there are now numerous ways in which credit derivatives have been created. In a situation of "light touch" regulation, the process is only held in check by the risk of banks and other institutions losing their credibility. If they

[64] Michael Rowbotham : *The Grip of Death*. Jon Carpenter. Charlbury, Oxfordshire. 1998.
[65] Joseph Stiglitz : *Globalization and its Discontents*. Penguin Books. London. 2002. p84.

lend too much banks can get into serious trouble (like Northern Rock in 2007), but governments are very reluctant to see banks go under, for fear of the whole system becoming de-stabilized. National governments and central banks, similarly, seek to prove the credibility of their currencies, mainly by their efforts to control inflation. Geoffrey Ingham argues (somewhat cynically) that "Since the abandonment of monetarist attempts precisely to control the quantities of money in the system, credibility in stable money is assessed in relation to procedural correctness in arriving at interest rates that are intended to regulate the willingness to become indebted" [66]. This in itself is measured by private credit-rating agencies, which have the power to bring down an economy overnight.

Of enormous significance is the rapid increase in the circulation of money brought about by the increasing use of computers for the making of financial transactions (so that billions of pounds can change hands in a second) - also the increasing internationalization of economic activity and the domination of vast multinational corporations, which make it more and more difficult for national governments to exercise control.

The developments I have outlined show that there is no simple definition of 'money'. In the next chapter I am going to examine one of the most persistent theories of the nature of money, the so-called 'commodity theory'.

[66] Ingham. p145.

Chapter Two

MONEY AS A COMMODITY

J.K. Galbraith comments that definitions of money are "invariably incoherent". [67] Failing to heed that warning, most economics textbooks suggest that money is a kind of commodity. So David Goacher, for instance, defines money as "any generally acceptable medium of exchange" [68] and Frederic Mishkin that it is "anything that is generally accepted in payment for goods or services or in the repayment of debts".[69] These definitions have the virtue of allowing that money can exist in many different forms, and of recognizing the necessity that, whatever form it may take, money must be acceptable to everyone who uses it. Over the years, many different monies (or currencies) have been acceptable in this way. The prevalent use of such money in economic transactions marks the transition from a barter to a money economy. The question remains, however, how widely acceptable a particular currency may be, and who ultimately declares it acceptable.

This problem may be illustrated, in the nineteenth and twentieth centuries, from the history of the Gold Standard, under which States were allowed to validate money up to a certain proportion of their possessions of gold. The United Kingdom was a long-time supporter of the Gold Standard. In the face of World War I she was forced to abandon it. She returned to it in 1925, and then had to leave it again in 1931. After World War II one of the chief purposes of the Bretton Woods agreements was to try and create stable exchange rates where different currencies had different relationships to the Standard, or had actually abandoned it. One of the institutions created at that time was the International Monetary Fund, on which all member nations could call when their currencies were in trouble. The requirement for entry was that each country undertook to keep its currency stable (subject to a small degree of fluctuation) in relation to others – which meant, in particular, the US dollar (which

[67] J.K. Galbraith : *Money*. p5.
[68] David Goacher : *The Monetary and Financial System*. Bankers Books Limited. London. 1993. p2
[69] Frederic Mishkin : *The Economics of Money, Banking and Financial Markets*. Pearson. Boston. 2006. p44.

was still on the Gold Standard). [70] In the face of heavy expenditure on the Viet Nam war, however, the USA finally abandoned the Standard in 1971 – and then de-valued the dollar. Eventually, the UK was forced to do the same. The European Monetary Union is an attempt to keep the values of its members' currencies within carefully defined boundaries. The fact is, however, that in the 21st. century it is the relation of currencies to the US dollar (at whatever level it may happen to be) that is the controlling factor for most currencies. In theory, most countries are free to authorize the creation of money to whatever degree they wish (which freedom is used by some with great irresponsibility). Should the dollar collapse, however, this would lead to a world-wide collapse of currencies, and a severe restriction in the amount of money available for circulation, trade and business.

Another illustration may be taken from what the Bank of England recognizes as money within the UK. In the 21st. century very little money exists in the form of metal currency. Most money is effectively created by the Bank of England , the commercial banks and other lending institutions in the form of credit, which exceeds many times over what would have been acceptable under the Gold Standard. It was the estimate of Michael Rowbotham in 1998 that 97% of all money in the United Kingdom had been created entirely by these institutions). [71] This can be measured in various ways, and the Bank of England publishes several indices which are helpful in different ways for assessing the health of the economy.[72]

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[70] J.K. Galbraith : *History*. pp255-261.

[71] Michael Rowbotham : *The Grip of Death*. Jon Carpenter. Charlbury, Oxfordshire. 1998. p5.

[72] David Goacher lists four official monetary aggregates used in the UK in 1993 :-

M0 = notes and coin in circulation outside of the Bank of England
+ banks' operational deposits with the Bank of England.

M2 = M4 private sector holdings of notes and coin
+ M4 private sector holdings of sterling retail deposits with UK banks
+ M4 private sector holdings of sterling retail deposits and shares with UK building societies.

M4 = M4 private sector holdings of notes and coin
+ M4 private sector holdings of sterling deposits (including sterling certificates of deposit) with UK banks
+ M4 private sector holdings of sterling shares and deposits (including sterling certificates of deposit) with UK building societies.

M3H = M4
+ M4 private sector holdings of foreign currency deposits with UK banks and building societies
+ sterling and foreign currency deposits held by UK public corporations with

For most of its users and most of its theoreticians (economists) money is seen as a useful commodity which is either positive or neutral in its side-effects. For much of its history this commodity has been silver or gold, though in the 19th. Century bank liabilities in the form of notes and bills came to be accepted as money if they were convertible into silver or gold. Since that time the definition of what counts as money has been greatly expanded, but the basic idea of money as a commodity still survives both in popular opinion and in financial circles, even though there is much dissent amongst sociologists and heterodox economists.

Early Ambivalence

For much of its history, the church's theologians have also accepted this understanding. Until the growth of the capitalist system in the late medieval period, this may not be very surprising, in that most money up to that time had been in the form of commodities. Right back in the 4th. Century BC, however, Aristotle demonstrates ambivalence on the matter, seeing money as a social creation giving physical form to demand, but also as a commodity in its own right :

> All goods to be exchanged, then, should be measurable by some standard coin or measure…In reality, this measure is the need (or demand) which holds all things together; for if man had no needs at all or no needs of a similar nature, there would be no exchange or not this kind of exchange. So a coin is a sort of substitute (or representative) for need (demand) and came into being by convention…(but) this money too is subject to the same fluctuation in need (demand) for its worth does not always remain the same. [73]

This double understanding was taken up by Thomas Aquinas, in the 13th. Century, following Aristotle's thinking. He said, "Money, according to the Philosopher, was

UK banks and building societies.
(Goacher. 1993. p11)

[73] Aristotle : *Nicomachean Ethics*. Book E, Section 8. English translation with commentary by Hippocrates G. Apostle. The Peripatetic Press. Grinnell, Iowa. 1984. pp87-88.

invented chiefly for the purpose of exchange ; and consequently the proper and principal use of money is its consumption or alienation whereby it is sunk in exchange". [74] As a medium of exchange, money was not a commodity like other commodities that could be bought and sold. As a measure of value in exchange, it was important that the value of money remained steady. But Aquinas also realized that money " like other things is actually subject to change. One does not always get for it what he desires because it is not always equal, that is, it is not always of the same value. But money should be established in such a way that it is more stable than are other things". [75]

For Aquinas, money was different from all other commodities because of the particular role it had to play. Nevertheless, it was a commodity. This is made clear in that he treats it, like many other commodities, as a "fungible", which (according to Roman Law) was a commodity consumed in its use. As such, it could only provide one use to its owner – unlike, for instance, a garment or a house, which could be used many times over. Diana Wood explains it like this :-

> Fungibles could be counted, weighed or measured, and the units were totally interchangeable and indistinguishable, because one unit could perform the service as well as another. As such, if they were borrowed, the same number, weight or amount had to be returned, but not the actual unit which had been borrowed, because this would have been consumed or alienated in use. If someone borrowed a loaf of bread from a neighbour, then a loaf of similar size and weight would be returned instead of the original. The implication was, of course, that money too should be returned to its lender in the exact amount borrowed…without addition or subtraction. [76]

As we shall see later, this understanding of money as a fungible had great significance for Aquinas' ideas on usury.

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[74] Aquinas : *Summa Theologica*. 2a2ae. Question 78, Article 1. p331

[75] In *Decem Libros Ethicorum*. Book 5, Lesson 9 – quoted in Diana Wood : *Medieval Economic Thought*. Cambridge University Press. 2002. p76.

[76] Wood, p75.

This realization that money had a value of its own can be said to flag up one of the great problems faced by those early writers who concentrated on the “intrinsic” value of money (i.e. its value as a commodity). The first to write an extended treatise on money was Nicholas Oresme (c1320-82). His famous work, *De Moneta*, was written for King Charles V of France, and was concerned almost entirely with maintaining the intrinsic value of money. Whilst beginning with a chapter on why money was invented, his great concern was with the dangers caused by changes in a currency. Writing a century later than Aquinas, he was much more positive towards trading, and argued that one of the chief responsibilities of rulers should be to encourage trade and the right conditions for trade, particularly by creating and maintaining a strong currency, and ensuring that it was not debased. He argued that money belonged to the community, but that the community deputed to rulers the responsibility for issuing a currency. If it was necessary to make any changes in it, any profit made from the exercise was “an unnatural act of injustice”. [77] It is interesting that Oresme makes no reference to credit or bills of exchange, though these were already widely used. It is also interesting that he made no reference to the system of so-called “ghost money” which had operated through the early Middle Ages when there was virtually no metal money in existence. In the mind of Oresme, real money clearly consisted of precious metals, and that was it.

If money is a commodity, it is clearly important that its value be kept as steady as possible. If not, there could be great confusion, as well as great possibilities of corruption. Right back in the Old Testament, the Law required the use of correct weights and measures (Leviticus 19.35-36, Deuteronomy 25. 13-15) and one of the great complaints of the prophets was against the use of false scales (Amos 8.5) whereby money was incorrectly weighed. As coins came to be more widely used, it was realized that they could be made out of inferior metal or reduced in size. In Roman Law, the Emperor was given control over the coinage, and one implication of this was that it was the responsibility of the state to maintain its currency in good condition.

[77] Ed and trans Charles Johnson : *The De Moneta of Nicholas Oresme and English Mint Documents.* Thomas Nelson and Sons. London. 1956. p25.

In the late medieval period, corruption of the currency was a widespread problem, as was deliberate debasement by governments. Following the line of Oresme, Christian thinkers urged governments to take action to keep currencies stable. Ptolemy of Lucca wrote, "Any prince or king ought to be moderate in altering or diminishing the weight or metal, because this results in harm to the people, since it is a measure of things". [78] In Britain, the Ordinances of 1311 imposed by the barons on the king required that the king could only make alterations to the coinage "by the common consent of his baronage and that in Parliament" [79], thus ensuring that the interests of the whole people were taken into account. Right up to the present day, when most money is not in the form of coins, devaluation has always been a possible course of action for governments in trouble. This has usually been because of rampant inflation, and there has seemed to be little alternative. The result has always been that many have lost large sums of money through no fault of their own, but devaluation has often restored credibility to a currency that would otherwise have collapsed.

Even where rulers have been able to control the metal content of a currency, there has remained the possibility of clipping or counterfeiting by the general public, and rulers often had to take draconian measures to counteract them. The principle illuminating this necessity is often described as "Gresham's Law" , named after Thomas Gresham (1519-79), who was a financial adviser to Queen Elizabeth I, and is usually summarized in the aphorism that "bad money drives out good". The idea behind this was that, where there were two currencies circulating whose face values were different from their bullion content, the better money would either be melted down or taken abroad, where it would command a higher price. This was a particular problem for countries like Britain who maintained their currency well.

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[78] Ptolemy of Lucca : *De Regimine Principum*. 2. 13. – quoted in Odd Langholm : *Economics in the Medieval Schools*. E.J. Brill. Leiden. 1992. p457.

[79] Wood, p108.

Bullionism

The idea of money as a commodity was fundamental to the mercantile system whose principles were enunciated most clearly by Thomas Mun (1571-1641) – and the essence of which was that each nation should seek above all to maintain a favourable balance of payments. "The ordinary means to increase our wealth and treasure is by Foreign Trade, wherein we must ever observe this rule : to sell more to strangers yearly than we consume of theirs in value". [80] This implied protection of home industries, the granting of monopolies to certain traders, restricting wage increases, restricting exports of raw materials in favour of finished products, and getting as large a share as possible of world shipping. From our point of view, it implied a philosophy of money, often described as "bullionism", that a country's wealth was the same as its possession of money.

The bullionist ideas were subject to strong criticism by Adam Smith in *The Wealth of Nations*. However, they were basic to the thinking of both Thomas Hobbes and John Locke. Hobbes didn't often refer to money [81], but talked about it as "the blood of a commonwealth", taking this to consist of silver, gold and coinage (created out of silver and gold). His doctrine of the strong authoritarian ruler was intended to produce stability in societies that could be torn apart from the conflicting interests being pursued by different groups within them. This can be seen to be of particular relevance in relation to maintaining the stability of a nation's currency. [82]

Locke entered the field of money on a number of occasions, initially in 1668 with a publication on *Some consequences that are like to follow upon the lessening of interest to 4 per cent* – produced again, when the proposal was raised again in 1691, as *Some*

[80] Thomas Mun : *England's Treasure by Foreign Trade or the Balance of our Foreign Trade is the Rule of Our Treasure.* 1664 – in ed. J.R.M. McCulloch : *Early English Tracts on Commerce*. Cambridge University Press. 1954. p125.

[81] Except in Thomas Hobbes : *Leviathan*. Chapter 24, paras 11-12, and Chapter 29, paras 18-19. Cambridge University Press. Cambridge. 1996.

[82] Implied in *Leviathan*, chapter 23, para 4.

Considerations of the Consequences of the Lowering of Interest and Raising the Value of Money. Locke was a mercantilist, like his contemporaries, concerned to further national prosperity - and also, like his contemporaries, accepted what we have called a "commodity" theory of money. His basic argument was that reducing the rate of interest would reduce the supply of funds invested in trade : "There would be less money left in the country to drive the trade." [83] His argument was that there was a natural rate of interest determined by demand for and supply of money, and that this should be allowed to predominate. [84] He went on from there to observe "another seeming consequence", namely "that the lowering of interest will raise the value of all other things in proportion" – i.e. produce inflation – thus producing a form of what later became the Quantity Theory of Money (that the value of money is inversely related to the quantity of money in circulation). [85]

Locke also got involved in the arguments of the Recoinage Crisis of the 1690s, arguing for silver coins to be re-minted, after the substantial debasement in the period since the Restoration of 1660. For him, the content of coins was crucial, silver and gold being commodities with their own intrinsic value. In *Short Observations for Encouraging the Coining Silver Money in England, and after for keeping it There* (1691) he said "An ounce of coin'd standard silver must necessarily be of equal value to uncoin'd standard silver. " [86] The effect of the legislation that resulted was that silver, being under-valued, was sold abroad, and Britain settled on a gold standard which was to last about 250 years. [87]

Meanwhile, however, the prevailing mercantilism was under attack. Its most notable critic was Pierre de Boisguilbert (1646-1714). It was he who coined the phrase "Laissez faire la nature" to reinforce the idea that the market is a better judge of correct prices than the state – though he was in favour of stabilizing the price of grain for the benefit

[83] John Locke : *Some Considerations of the Consequences of the Lowering of Interest and Raising the Value of Money*, in ed. Patrick Hyde Kelly : *Locke on Money*. Clarendon Press. Oxford. 1991. p215.

[84] *Some Considerations*, p216.

[85] *Some Considerations*, p243.

[86] *Short Observations for Encouraging the Coining Silver Money in England, and After for Keeping It There* in ed. Kelly, p346.

[87] Roger Backhouse : *The Penguin History of Economics*. Penguin Books. London. 2002. p87.

of the poor. In his major work, *Le Detail de la France* (1695) he held that the wealth of the country lay not in the money it possessed, but in what it produced and exchanged. In 18th. Century France there emerged a group of writers sometimes called Les Economistes, now more generally known as The Physiocrats ("The Rule of Nature"). They were described by Adam Smith in *The Wealth of Nations* as "The Agricultural System" [88] because of their assessment of the produce of agriculture as the sole source of wealth in an economy. As Francois Quesnay summarised it : "Agriculture is the source of all the wealth of the state, and of the wealth of all the citizens." [89] With this was associated the phrase "Produit Net" which asserted that wealth originated only in agriculture and not from any other industry, trade or occupation. They can be regarded as the first organized group of economists. They followed Boisguilbert in respect of "laissez faire" with their rallying cry of "Laissez faire! Laissez passer !" against any government intervention in the economy for social purposes.

Adam Smith was the great advocate of "laissez faire". To him, what is important for the wealth of a nation is not (as the Mercantilists had claimed) the amount of money a nation possesses, but the total capital resources of a nation and how much they are used. Nevertheless, money plays a crucial part, being a major element in the circulating capital which is necessary for continuing production. "No fixed capital can yield any revenue but by means of circulating capital." [90] Money itself is "the great wheel of circulation, the great instrument of commerce." [91] The important thing was for money to circulate as much as possible, and that all possible barriers to the free development of trade should be removed.

One weakness of this argument is that Smith is wedded to the idea of a finite quantity of money (the amount of gold and silver in circulation at any time). Smith (like Locke) held a commodity theory of money. In his mind, money consists primarily of gold and silver pieces, so that its quantity is fixed by how much gold and silver is available. He

[88] Adam Smith : *The Wealth of Nations*. ed. Andrew Skinner. Penguin Books. London. 1999. Book 4, Chapter 5.
[89] Francis Quesnay : *Maximes Generales* – cited in Alexander Gray : *The Development of Economic Doctrine*. Longmans Green. London. 1948. p102.
[90] *Wealth of Nations*. Book 2, Chap 2. p378.
[91] *Wealth of Nations*. Book 2, Chap 2. p388.

does recognize, however, that gold and silver are now being replaced by paper money. And such money does not necessarily have to be backed by an equivalent amount of gold and silver. If people have confidence that their paper money can be redeemed in gold and silver, and bankers are confident they have enough gold and silver to meet the demands that may be made from time to time, then it is possible for them to lend paper money above the amount of gold and silver they have in stock. [92] What he maintains steadfastly is that money by itself cannot increase the revenue of a society, but, if it circulates well and is used for purposes of production, revenue can then be increased. His famous statement, "Wherever capital predominates, industry prevails; wherever revenue, idleness" summarises his conviction that money must be invested in production; if it is just used for consumption, the amount of productive capital is reduced. [93] On the other hand, if there is too much money in circulation, he says it "must overflow" – by which he means, unless it lies idle, it will go abroad – where any profit made with it will constitute an addition to the revenue of its own country. Nevertheless, it will be gold and silver that will go abroad, because paper money will not be acceptable overseas. [94] Alternatively, of course, the possessors of paper money could demand payment in silver or gold – the unfortunate effect of which could be a run on a bank, and (one assumes) its bankruptcy. [95] Or else, as he observes, if there is too much money in circulation, this could lead to inflation. But he believes, if the amount of paper money never exceeds that of gold and silver, this should not happen. [96]

Smith's grand design seems to have been to produce a system of political economy that operated according to natural laws, rather as Newton had described the universe as operating according to natural laws. He professes to base his theories on what he sees "naturally" to be the case. He may not use the name of God, but would probably have regarded his writing as "natural theology" in the sense of rational reflection on

[92] *Wealth of Nations*. Book 2, Chap 2. pp388-389
[93] *Wealth of Nations*. Book 2, chap 3. p437
[94] *Wealth of Nations*. Book 2, chap 2. pp390-391.
[95] *Wealth of Nations*. Book 2, chap 2. pp397-398
[96] *Wealth of Nations.* Book 2, chap 2. p424.

the world around him. A.M.C. Waterman claims, in fact, that "it is evident that the theology of The Wealth of Nations is entirely "natural theology" (in the sense in which that would have been understood in his day)." [97] In the same way, "it is a mistake to imagine that natural theology would have been regarded, in eighteenth century Britain, as in any sense opposed to or even inconsistent with Christianity". [98]

One might have expected a somewhat different approach from those with more Evangelical views. In the group of "Christian Economists" of the early 19th. Century, however, Natural Theology still predominated, and the writings of its best-known member, Thomas Chalmers, demonstrate a continuing attachment to Bullionism. Although his major works contain no explicit discussion of the nature of money, Chalmers (along with most of the Christian Economists) clearly adhered to a commodity theory of money. Chalmers himself was clearly a "bullionist" , who believed in allowing gold to control the economy - a philosophy which revealed itself particularly in support for the Gold Standard. That this was a theological conviction we can deduce from the fact that it was related to the idea that keeping the Gold Standard was considered to militate against speculation and erratic behaviour in the markets. In particular, it was considered an antidote to an excess of paper money, loans etc., which inspired reckless economic activity. Over the period 1797-1821 Britain had abandoned the Gold Standard in the face of the enormous expenditure needed to fight Napoleon, and this had been a period of intense economic activity, in which many entrepreneurs had made great fortunes. Such sudden fortunes raised great suspicions in the Evangelical mind, and one way in which it was thought normality could be restored was through the restoration of the Standard.

Bullionism implied, of course, an understanding of money as having "intrinsic" value (value in itself), as opposed to "extrinsic" value (value as given in the market). Its popularity amongst 19th. Century Christians can be understood partly because it was seen as a means of counteracting excess, and partly as reaction to the unpleasant

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[97] A.M.C. Waterman : *Political Economy and Christian Theology Since the Enlightenment*. Palgrave Macmillan. Basingstoke. 2004. p105.
[98] Waterman, p 105.

side-effects of the Industrial Revolution, deemed to be fuelled by credit. It provided something solid on which to base an economy, and an impartial measure of value which it was thought could not be manipulated by speculators. Governments, for their part, should adopt “neutral” monetary policies, allowing the “natural” forces of the market to maintain a stable money system.

The Universal Equivalent

Karl Marx was very aware of the network of relationships involved in the use of money, and we shall have occasion to refer to him on a number of occasions. His own theories about the nature of money are set out in the first chapters of *Capital*, where he quickly claims that “what exclusively determines the magnitude of the value of any article is the amount of labour socially necessary, or the labour-time socially necessary for its production”.[99] This has a good degree of plausibility in relation to what he calls the “use-value” of a commodity. Marx recognizes, however, that in the market system, a commodity is valued in terms of what he calls “exchange-value”, which will normally be expressed in terms of money (which he describes as the “general - or universal - equivalent”), and “for the sake of simplicity” he assumes that gold is this money commodity:

> Throughout this work, I assume that gold is the money commodity, for the sake of simplicity. The main function of gold is to supply commodities with the material for the expression of their values, or to represent their values as magnitudes of the same denomination, qualitively equal and quantitively comparable. It thus acts as a universal measure of value, and only through performing this function does gold, the specific equivalent commodity, become money. [100]

We will come back later to the labour theory of value. More significant for us at the moment is that this labour theory of value (which he shared with both Locke and Adam Smith) has committed Marx to a version of the commodity theory of money,

[99] Karl Marx : *Capital*. Vol. 1. Penguin Books. London. 1976. p129.
[100] Marx, p188.

and effectively to some kind of gold standard. Paper money for him "is a symbol of gold" [101], credit-money simply a means of transferring debts from one person to another [102] – basically because they have no labour value embedded in them. Gold, on the other hand, has value because of the labour involved in mining it. [103] Hence he wedded his labour theory firmly to a commodity theory. Like all those who are committed to a commodity theory, though he was very much aware of the way that money reflects the underlying forces of production, this prevented him from appreciating the significance of money as abstract value, and his distinction between money and credit gives insufficient force to the effects of credit in the economy.

The Twentieth Century

By the 20th. Century the profession of economics had settled on a commodity theory of money, working out ways by which the concept of money could be stretched to include paper money and credit - and Christian thinkers were continuing to accept it. One striking comment by Philip Mairet in his book, *The National Church and the Social Order*, actually urged caution in creating more money on the basis that this could produce inflation. He argued against the allowing of (even moderate) inflation, suggesting that a moral theology based on the Bible must condemn it as unjust in principle, because a primary function of money is to be a *measure* of value. He said the Law and the Prophets denounce all falsification of measures ("Thou shalt not make the ephah long" etc). He also pointed out how inflation puts particular pressure on those in weaker economic positions. [104] He argued strongly for the stability of money.

The chief objections to commodity theories emerged from the sociologists who saw money as primarily a social construction. In *Concepts of Money* (2005), Geoffrey

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[101] Marx, p225.
[102] Marx, p238.
[103] Marx, p190.
[104] Philip Mairet : *The National Church and Social Order.* Church Information Office of the Church Assembly. London. 1956. p142.

Ingham claims that there are actually two fundamentally opposed conceptions of money, which Schumpeter described as the “commodity theory” and the “claim theory”. In the first conception, money takes its properties from its status as a commodity with intrinsic value. As such, it is able to act as a medium of exchange. In the second, money is seen as a socially and politically constructed means of payment that takes the form of a token ‘claim’ or ‘credit’. As such, the actual medium in which money exists is irrelevant. Instead, money’s particular character is to be found in its role as an abstract measure of value (sometimes called “money of account”). Ingham refers to the fact that, in the early part of the 20th. Century, there was considerable debate, especially in Germany, about the methodology of the social sciences between, on the one hand, economic theorists and, on the other hand, historians and sociologists. The economists espoused the first view of money, and the historians and sociologists the second. The result of the general debate was a *de facto* division of labour between economists and sociologists. The result of the particular debate (on money) was that economics came to be dominated by the commodity theory of money and sociology by the claim theory. Until recent years, however, Ingham claims that sociologists (along with theologians) have failed to develop the claim theory adequately, suggesting that “it would appear to have been assumed that, as money was a quintessentially economic phenomenon, it should be left to economic science”. [105]

Georg Simmel**,** however, in his *Philosophy of Money* (1912), had already come to the conclusion that the essence of money is that it embodies abstract economic value (which emphasizes its use as a unit of account). [106] Value, he said, was a correlate of demand and scarcity [107] and became objective in the process of exchange. [108] He claimed that it was “in no way a logical consequence of those qualitative and quantitative aspects of things that are called utility and scarcity, which acquire their

[105] Ed. Geoffrey Ingham : *Concepts of Money*. Edward Elgar. Cheltenham. 2005. ppxi-xii.
[106] Georg Simmel : *The Philosophy of Money*. English translation by Tom Bottomore and David Frisby.
Routledge and Kegan Paul Ltd. London. 1990. p119.
[107] Simmel, p72.
[108] Simmel, p90.

significance for the process of valuation only when exchange is presupposed. [109] Nevertheless, in the process of exchange this value is expressed in terms of the commodity of money. "As a visible object, money is the substance that embodies abstract economic value". [110]

In contrast to Smith and Marx, he recognized that, though the availability and cost of labour affected the scarcity of an object, the actual amount of labour involved was insignificant. He struggled somewhat with the idea that, at the same time, money *was* a substance with a value of its own which was also determined in the market place, with national currencies getting their value in foreign exchange markets [111], but held on to his conviction that "what is eventually valued is not money… but the objects (being valued), and changes in price signify a change in their relations to each other". [112] "Money is not only the absolutely interchangeable object, each quantity of which can be replaced without distinction by any other; it is, so to speak, interchangeability personified" [113], and therefore provided a stability which nothing else could provide. [114] This was in contrast to the idea inherent in barter and of the medieval philosophers that value was somehow objective in the item to be sold. It was for this reason, he held, that, for the scholastics, each item was reckoned to have a "just price" reflecting that value (which took into account, of course, the labour that had been expended on it). [115] But, the more intellectual and abstract thinking took place (he claimed), the more money became a mere symbol, with no intrinsic value. [116]

John Maynard Keynes, in his book *A Treatise of Money* (1930), explicitly repudiated the basis of neo-classical economics, saying, "Money of Account, namely that in which Debts and Prices and General Purchasing Power are expressed, is the primary concept

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[109] Simmel, p100.
[110] Simmel, p120.
[111] Simmel, p122.
[112] Simmel, p122.
[113] Simmel, p124
[114] Simmel, p125.
[115] Simmel, p126.
[116] Simmel, p152.

of a Theory of Money". [117] Recognizing how much "money" was being created by banks in terms of loans which might not have any basis in savers' deposits, he departed from the conventional quantity theory that the rate of interest was determined by the demand for and supply of money (considered as a commodity), and supported the argument that governments should create money as they thought fit in order to direct the course of the economy.

Ingham himself devotes the major part of *The Nature of Money* to developing his assertion that "the very *idea* of money, which is to say, of abstract accounting for value, is *logically anterior and historically prior to market exchange"* (his italics). [118] Going right back to the beginning, he claims that the first financial transactions were actually in the form of credits organized by temples and palaces. "Almost the entire means of production were held by the palaces and temples, which developed money accounting to organize and manage agricultural production and its redistribution". [119] This did not mean, however, that there was any commodity which we might regard as money. Debts and credits would be recorded by devices like notches on a stick, and could be paid in a variety of commodities and labour services. This was 2,500 years before the introduction of coins. When some kind of money commodity became accepted, therefore, its value would have represented values already existing as "money of account".

This is not to say that money does not function as a medium of exchange or that it gives no indication of value (which it clearly does). Differences between different writers often depend rather on which of its different functions is being given the prime emphasis. Ingham, after a survey of various heterodox opinions, concludes that "four themes are to be found in these heterodox traditions : that money is essentially an abstract measure of value; that money consists in a claim or credit; that the state, or an authority, is an essential basis for money; that money is not neutral in the economic

[117] John Maynard Keynes : *A Treatise of Money*. Macmillan. London. 1930. p30.52.
[118] Ingham : *The Nature of Money*. p25.
[119] Ingham, p93

process". [120] He then goes on to develop his own particular thesis that money is essentially a measure of abstract value (money of account) and a means of storing and transporting this abstract value. All the other functions of money, he claims, can be subsumed under these two attributes. [121]

Referring to the enormous changes taking place today as a result of globalization and the spread of the internet, Ingham mentions discussions now taking place about the deterritorialization or denationalization of money, "electronic money", "virtual money" and "the end of money". So, for instance, Friedrich Hayek urged, back in 1976, that government monopolies on the creation of money should be abolished and be replaced by free competition between private banks. [122] Mervyn King (when Deputy Director of the Bank of England), considering the future of central banks and their creation of money, posited the possibility, as a result of technological innovations, that settlements could be carried out by electronic means without any need to clear through a central bank. In this situation, assets, goods and services would be priced in terms of a unit of account that could be universal in scope. [123] Ingham argues, however, that whatever developments take place in this direction will depend unavoidably on whether they can enlist the authority of sovereign states. He concludes, "I have argued that money is a socially (including politically) constructed promise. Regardless of its form and substance, money is always an abstract claim or credit whose "moneyness" is conferred by a money of account". [124]

Starting from this basis, some have argued that the essential nature of money has always been debt. A. Mitchell-Innes, back in 1914, wrote "The eye has never seen, nor the hand touched a dollar. All that we can touch or see is a promise to pay or satisfy a

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[120] Ingham, p56.

[121] Ingham, p70. An extensive treatment of money from a sociological standpoint is to be found in Nigel Dodd : *The Sociology of Money : Economics, Reason and Contemporary Society*. Polity Press. Cambridge. 1994.

[122] Friedrich Hayek *: The Denationalization of Money*. Institute of Economic Affairs. London. 1976.

[123] Mervyn King : *Challenges for Monetary Policy : New and Old*. Bank of England Quarterly Bulletin. Vol. 39. Nov. 1999. pp410-411. This argument is taken further by Thomas H. Greco Jr: *The End of Money and the Future of Civilization.* Floris Books. London. 2010. Chapter 17.

[124] Ingham, p198.

debt due for an amount called a dollar". [125] Ingham seems ready to accept this theory himself : "Regardless of any *form* it might take, money is essentially a provisional "promise" to pay, whose "moneyness", as an "institutional fact", is assigned by a description conferred by an abstract money of account". [126]

Philip Goodchild, the first to write an extended theology of money, accepts this basic point that money is not a simple means of exchange. In any process of exchange, he says, "Monetary exchange is not simply a physical exchange of goods. It also has a social dimension which is compressed into the actual values agreed". [127] He agrees that, ultimately, "all money is credit" and that "money is an implicit contract rather than a commodity". [128]

The first time that such an understanding was given explicit church support was in 2003, when the Doctrine Commission of the Church of England in its report *Being Human* recognized how little had been written on the theology of money (as opposed to love of money) and made what were, at that time, some extraordinarily radical statements :-

> Notes and coins are money, but they are not what money is... "Money" is much more like a verb than a noun; it names activity or function rather than a set of discrete objects in the world. Money is dynamic; it is activity; it is function. What makes notes and coins money is not some quality or intrinsic property they have in themselves, but the functions they perform in human society...For the notes and coins (and figures on the accounts) to function as money requires a set of social, cultural and political, as well as economic, arrangements. Money is a human and social reality, not something that can be abstracted from specific human contexts. [129]

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[125] A. Mitchell-Innes : *The Credit Theory of Money*, in Banking Law Journal. XXXI, June 1914. p155.
[126] Ingham : *The Nature of Money*. p12.
[127] Philip Goodchild : *Theology of Money*. SCM Press. London. 2007. p94.
[128] Goodchild, pp 116 and 136.
[129] Doctrine Commission of the General Synod of the Church of England : *Being Human.* Church House Publishing. London. 2003. p58.

Here is a clear renunciation of any idea that money is a commodity, and a recognition that money needs to be understood in terms of relationships. What is quite remarkable is that such radical thinking should occur in the work of a committee ! What has to be acknowledged here, however, is that this understanding has emerged from “experience” rather than from the Scriptures. What could be added, perhaps, is that it has emerged from a willingness to learn from experience and not be bound by any fashionable ideology or preconceived ideas.

What is clear, in hindsight, is that the development of such ideas has been fuelled by developments in the world economy which have made it increasingly difficult to hold to a commodity theory. Fundamental to all has been the ability of public and private banks to produce money by means of loans to their customers, which have increased the stock of money without any necessary connection with silver or gold. For many years there was an assumption (or a requirement) that such loans had to have some relation to gold or silver stocks. The fragility of this system was demonstrated, however, in the Great Depression of the Thirties, and it was ultimately saved only by following the ideas of Keynes that governments should spend their way out of depressions, even if this meant an increase in their public debt. This was tantamount to the abandonment of any commodity theory.

As we have already seen, the Bretton Woods agreements following World War II established (amongst other things) the International Monetary Fund, the requirement for entry being that each country agreed to keep the value of its currency stable in relation to the US dollar (which now functioned as a universal reserve currency). While most countries had abandoned the Gold Standard, the United States had managed to hold on to it. Primarily because of heavy expenditure on the Viet Nam war, however, the United States was forced in 1971 to abandon the standard, and then to de-value the dollar. This produced an impossible situation for the other countries, whose currencies were left to float.

In the next 20 years the philosophy of Neo-Liberalism encouraged the deregulation of financial services of all kinds, on the premise that the free market would regulate what was feasible and what was not. This meant, amongst other things, that banks were no longer restricted as to how much money they might lend to customers, as long as such loans were realistic. It meant that new financial instruments could be developed (so-called "derivatives") where one loan was built on the basis of another (getting further and further away from any basis in a commodity). Not least, it meant that finance could flow freely from one country to another, so that the money available in any country bore no relation to any commodity in that country.

Christian Theology and Commodity Theory

The question remains as to whether Christian theologians should not have been more suspicious of the commodity theory. In earlier times, as already suggested, their reticence may be justifiable on the basis that virtually all uses of money involved some commodity. At the same time, however, there was (in the absence of coins etc) much use of "ghost money", and this could have led to an appreciation that this was money, just as much as that in the form of commodities. In the time of the scholastics there was also an increasing use of paper money of different kinds. Not least, in this period, there was the development of the creation of money by commercial banks, initially in the form of overdrafts. Unfortunately, this is rarely mentioned by the scholastics, except insofar as such loans could be condemned for being usurious. Noonan speculates that "either the amount of banking activity was less than the economic historians describe, or the scholastic writers were less perceptive in observing the mechanisms of commercial credit than they were in treating of variations in partnership and *census* contracts". [130] Whatever it was, as R.H. Tawney has so amply documented (in *Religion and the Rise of Capitalism*), failure to come to terms with the implications of the rapid expansion of paper money and credit meant that the church was able to exercise less and less influence on what was happening in the economy, and commerce went its own way with no moral compass to guide it.

One has to ask why the scholastics were so unwilling to regard paper money and bank credit as "real" money. One major reason (which also had great influence on their ideas about usury) was the idea they inherited from Aristotle and justified by appeal to Natural Theology, that it was unnatural for money to "breed" more money. The essential purpose of money was seen as a means of exchange, not to make more money. Aristotle had said, "This term interest, which means the birth of money from money, is applied to the breeding of money because the offspring resembles the parent. That is why of all modes of getting wealth this is the most unnatural". [131] The point of this argument rests in the Greek work used ("tokos"), which came to be used for usury, but which originally referred to begetting or offspring. Aristotle maintained that money could not legitimately produce more money, because its purpose was to facilitate trading, where it might produce something good for the life of the community – but, when used for interest etc, it produced nothing good for the life of the community. In this respect, it was sterile, or barren. Much was made of this by Aquinas and other scholastics to condemn the charging of interest on loans (the original sense of "usury"). It was an unnatural use of money.

When considering their arguments, it is necessary to remember that they were dominated by the question of usury. But, as we shall see later, this was by no means a dry academic concern, but rose from a desire to protect the weak. At root, they were convinced that money should not be used to benefit financiers but to produce benefit for the community. In addition, their reluctance to treat paper money as real money may well have stemmed from a realization of the dangers that it can expand further

[130] J.T. Noonan : *The Scholastic Analysis of Usury*. Harvard University Press. Cambridge, Mass. 1957. p123.

[131] Aristotle : Politics. Book 1, Chap 9.

than the natural resources of a nation may justify, and that it can lead to inflation. It may also have stemmed from a realization of the power which could be attained by those trading in money, as opposed to those engaged in productive activity (power being a subject to which I shall return later). It is probably for reasons like this that the Church has held on to a commodity view of money for so long. This can be seen particularly in the Roman Catholic Church, where the influence of Thomas Aquinas has remained strong until the present day. One of the most interesting of Catholic writers on money in the 20th. Century is Bernard Dempsey, who sought to produce a contemporary picture of what an economy should be, based on Thomist ideas. Like Aristotle and Aquinas he was strong in his opposition to the creation of money "out of nothing" (now by the loans of commercial bankers), and clearly preferred that new money be created directly by the state (without interest) – one reason being that there would then be a solid basis for productive activity in the commodity money held by the state. [132]

Finally, it is important to realise that the teaching of the scholastics was built on the tradition of a church which went right back through the Fathers, and through the New Testament writers, right back to the Law of Moses, with its requirement for the cancellation of debts of those who couldn't pay them, and the prohibition of usury. The early medieval writers, writing before the development of paper money, followed the Fathers in their acceptance of the Old Testament prohibition of usury and the encouragement in both testaments to be generous to those in need. [133]

I have sought to demonstrate in this chapter that, ultimately, the commodity theory of money is quite inadequate to describe the place of money in the economy, especially as it has developed under capitalism, and that the church, in failing to recognize this, has not been able to influence the direction that the world economy has taken. It would be foolish, however, to neglect the teaching of those who have regarded it as a commodity. The Scholastics (however much we may be critical of them) were, at least,

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[132] Bernard W. Dempsey : Interest and Usury. Dennis Dobson Ltd. London. 1948. p206.

[133] Joan Lockwood O'Donovan : "The Theological Economics of Medieval Theory", in Oliver O'Donovan and Joan Lockwood O'Donovan : *Bonds of Imperfection*. Eerdmanns. Grand Rapids. 2004. pp103-106.

curbing some of the worst side-effects of the commercial revolution, and it is quite plausible that returning to a situation where the amount of money in use is restricted more closely to what is available in commodity form would have the potential of restraining much of the greed that has come to dominate the world economy today. Any future reconfiguration of the economy, therefore, could well involve a much greater emphasis on commodity.

In the next two chapters I take up the questions of debt and interest, to which Christian theologians over the centuries have given a great deal of attention, and which (given the great expansion of credit in the last few years) are far from a dead letter.

Section Two

LENDING AND BORROWING

Although money is not a commodity like any other commodity, one feature of all commodities is that, apart from being used and exchanged, they can be lent and borrowed. Normally such lending and borrowing is helpful to the borrower and enables the commodity concerned to be more productive. In the case of money this is usually the case, and it can be argued that such lending and borrowing have been instrumental in the enormous development of the world economy over the last 500 years. Experience shows, however, that there are particular problems involved in the case of money, and it will be the purpose of this section to describe the dangers that are highlighted in Christian theology.

Chapter Three

MONEY AND DEBT

One of the first problems that emerges in lending and borrowing is that of debt. Long before there were any coins, people were getting into debt. Michael Hudson, in his paper *The Lost Tradition of Biblical Debt Cancellations* gives many examples of how Mesopotamian, Egyptian and Greek rulers used periodic debt cancellations (right back to 2400 B.C.) to restore situations where an economic order had been compromised by the building up of wealth in the hands of a few, leaving many ordinary people landless or in debt-servitude, or even having to flee their country. In this way the economic balance of the community would be restored, and the population would have the resources to look after themselves. [134] Hudson suggests that this was not necessarily a matter of self-sacrificing altruism; rather that rulers needed the support of a peasant army in order to consolidate their power, and even to survive. [135] A particularly well-known case is that of Solons's reforms in Athens. When he was elected *archon* in 594 B.C. he inherited a situation where many rural families had been forced to mortgage either their land or their selves. If a farmer then failed to pay his annual fee, he became a serf, or even a slave, the land becoming a permanent possession of the lender. His first act on assuming power was a *seisachtheia* (or "shaking off of burdens") in which all debts were cancelled and it became illegal for anyone to obtain a loan with oneself or one's family as security. "Those who had been reduced to serfdom in the past, or sold into slavery, were set free.....the signs of servitude, the *horoi* that had marked the mortgaged fields and the ruined households, were removed.....the boundary line that enclosed one's property, the *nomos,* was from now on sacred". [136] Right through history, however, debt crises have occurred so often that Elmar Altvater can say, "Defaults and state bankruptcy have occurred so often that it is

[134] Michael Hudson : *The Lost Tradition of Debt Cancellations*. Henry George School of Social Science. New York. 1993. p22.
[135] Hudson p51.
[136] Robert Jan van Peet and Carroll William Westfield : *Architectural Principles in the Age of Historicism*. Yale University Press. New Haven and New York. 1991. p178.

debt crisis rather than orderly repayment which seems to have been the norm”. [137] In earlier days, kings who could not pay their debts simply cancelled them. In the Russian Revolution the Communists simply repudiated the debts of the out-going Tsarist government. [138] What these many incidents reveal to us is that, right from ancient times, it has been appreciated how destructive debt can be to the fabric of society. In this chapter I will seek to show the appreciation of this in Christian theology.

Debt in Judaism and Christianity

In the Torah there is a whole raft of measures intended to protect the poor, including a seven-year cancellation of debts (Deuteronomy 15. 1-6). Altogether, the programme of the Torah was aimed at producing a society in which everyone was able to enjoy the necessities of life (and much more). The ideal was of each man “sitting under his own vine and under his own fig tree” (Micah 4.4). Instead of accepting that the debts of the poor must be repaid, the Law encouraged the virtue of generosity : “There will always be poor people in the land. Therefore I command you to be open-handed towards your brothers and towards the poor and needy in your land” (Deuteronomy 15.11).

This is not, of course, to deny the value of lending. In fact, lending to the poor is highly commended in the Torah (Deuteronomy 15.7-9, Psalm 37.26, 112.5) as one way of helping them through difficult circumstances. At the same time, repayment of debt was expected when those circumstances improved. On this basis, it was even understood that, on some occasions, a lender would be entitled to take some sort of security (or pledge) on their loan (Exodus 22. 26-27, Deuteronomy 24. 10-13). In extreme circumstances, it was understood that a debtor could pay back a loan with their labour, and even become a debt-slave (Deuteronomy 15.12, Leviticus 25. 39, 47). What was not accepted, however, was that a pledge could be taken which endangered a person’s life (Exodus 22. 26-27) or that a creditor could enter a debtor’s house to seize a pledge (Deuteronomy 24. 10-11). And the great limitation was that debts not repaid (within the Jewish community) within seven years were to be cancelled

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[137] Elmar Altvater : *The Future of the Market*. English translation by Patrick Camiller. Verso. London and New York. 1993. p126.
[138] Altvater, pp148-150.

(Deuteronomy 15. 1-3), and slaves (probably because of their debt) were to be freed (Deuteronomy 15. 12-18). The one possible qualification to this is what is implied in Leviticus 19.15 ("Do not pervert justice; do not show partiality to the poor") – namely that there must be genuine reasons why a person could not repay.

What this legislation acknowledges is that the debts we are talking about were no small matter for people in a simple society – if you lost your house or your land, it could be a matter of life or death. Debt-release, therefore, was not a matter of making adjustments to people's accounts. It was a serious attempt to protect the poorest in society from suffering which was not their fault, and for the whole community to share the burden.

It is a moot point whether the Sabbath years were ever celebrated in Israel. The only record in the Old Testament of a widespread cancellation of debts is recorded in Jeremiah 34, when King Zedekiah made a covenant to free Israelite slaves in the face of the attack of Nebuchadnezzar on Jerusalem in 587 B.C. Hudson makes a strong case for it, however, at least in the early years, suggesting that the Israelites would have picked up the idea from the Babylonians during the Bronze Age "as part of the general diffusion of Southern Mesopotamian practices", and then during the period of the Babylonian captivity (586-444 B.C.).[139] This latter point he associates with the completion of the Pentateuch after the Exile. Hudson suggests, however, that the anger expressed by Josiah when the discovery of the Law in the Temple (in 610 B.C.) reveals how far the Jews had departed from their heritage, points to the existence of a much earlier tradition.[140] The most significant cancellation of debts recorded in the Old Testament then comes a little after the Exile in the action of Nehemiah (around 444 B.C.) (Nehemiah 5. 1-13).

Even if the Israelites did learn about debt cancellation from Mesopotamia, what was different in their case was that it was intended to be a regular occurrence and that they saw it in religious terms. For Ulrich Duchrow (as for Hudson) the final version of the Pentateuch was not produced until well after the time of Moses. Nevertheless, he

[139] Hudson p41.
[140] Hudson p42.

suggests that, from their experience of deliverance from slave-status in Egypt, the early inhabitants of their new land adopted, right from the beginning, a "bias to the poor" and of the need to protect the weak and oppressed. Further, he suggests, "the protection of the weak and oppressed was from the start not understood as a sociological –or "socio-ethical" – problem, but as a theological one". [141] The God who had liberated them from the gods of Egypt had totally different values from those owned in Egypt. "God hears crying and sees suffering (as in Exodus 3). This finds expression in some of the central biblical ideas : justice (*sedaqah*) is understood as "community-orientated behaviour", "judge/conciliate" (*safat*) as saving the weaker party in a conflict, and *shalom* as a condition of health within just relationships". [142] Amongst the convictions this produced , it seems, was the regular need to cancel the debts of those who could not sustain them.

It seems that precept was not always put into practice, and there are many protests from the prophets, who railed against the way that the rich often treated the poor. Buying the poor with silver and the needy for a pair of sandals (Amos 2.6 and 8.6), for instance, must refer to making slaves out of those unable to pay their debts. By New Testament times, there were many who had got into debt, lost their land or even became debt slaves. By this time Jewish society was dominated by a number of large families, who owned much of the land and controlled most of the levers of power. They might represent only 2% of the population, but by judicious use of patronage and the cultivation of clients, control of the judicial system, the Temple and the military, they were able to exercise an almost absolute control over the majority peasant people. [143] In the Parable of the Unmerciful Servant (Matthew 18), and the teaching that introduces it, Jesus makes it abundantly clear that his followers should forgive the debts of those unable to repay them. It maybe also that we should understand literally the clause in the Lord's Prayer that asks God to "forgive us our debts as we forgive the debts of others" (Matthew 6.12), though it is less easy to understand literally the idea of asking God to forgive us our debts than it is to understand that we should forgive

[141] Ulrich Duchrow : *Alternatives to Global Capitalism – Drawn from Biblical History, Designed for Political Action*. International Books. Utrecht. 1995/1998. p147.
[142] Duchrow p148.
[143] K.C. Hanson and Douglas E. Oakman : *Palestine in the Time of Jesus : Social Structures and Social Conflict*. Fortress Press. Minneapolis. 1998. pp70-82.

the debts of others. Some would claim that, in applying to himself the words of Isaiah , "The Lord has sent me to preach good news to the poor...to proclaim the year of the Lord's favour" (Isaiah 61.1-2, Luke 4. 18-19), Jesus was committing himself to a campaign involving release of the poor from their debts. If this means that those committed to the Kingdom of God will start to take seriously the instructions of the Torah in relation to the poor, then there is little cause for controversy. If he was advocating a re-instatement of the Jubilee year, that is plausible, but we have no other references to it in his teaching. If it means that Jesus was committing himself to a revolution against the Romans and their allies, there is, unfortunately, very little evidence for that – unless it was to be a non-violent revolution in which his followers would present their case peacefully by whatever means they could find, and especially by their alternative style of life. In fact, apart from the encouragement he gave to his disciples (to which we have just referred), Jesus never spoke directly on the subject of debt, but incidents like his turning over the tables of the moneychangers and his strong words to the possessors of riches, together with his reticence to use money himself, certainly reveal his suspicion that the possession of money can easily turn people's hearts away from the spirit of generosity that the Law encouraged. Instead of insisting on the repayment of debts, Jesus appears, in fact, to go to the other extreme when he says in the Sermon on the Mount, "If someone wants to sue you and take your tunic, let him have your cloak as well...Give to him who asks you, and do not turn away from the one who wants to borrow from you" (Matthew 5. 39-42). This does not amount to a platform for a political revolution, but it was the basis for an ethic of generosity which has been a challenge to the church throughout its existence.

In the New Testament period, therefore, we find words like "Share with God's people who are in need....Do not repay anyone evil for evil...If your enemy is hungry feed him....Let no debt remain outstanding, except the continuing debt to love one another" (Romans 12.13,17,19. 13.8). And the two chapters of 2 Corinthians 8 and 9 are a magnificent exposition of the need for Christians and churches to be willing to sacrifice in order that the material needs of others should be met. In the Fathers of the Early Church generosity was encouraged on the basis that what you possessed as a Christian was not for your exclusive use. So, John Chrysostom wrote, "Do you give to the poor ? What you give is not yours. It is your Master's, common to you and your fellow servants". [144] And Cyprian : "This is to be a child of God by spiritual birth; this is to imitate God's justice by the heavenly law. For whatever belongs to God is for the common use of all .... Whoever owns property and follows this example of equity, sharing his returns and his fruits with his brethren and showing himself fair and just with his gratuitous bounties, is an imitator of God". [145]

As the centuries went by, it seems that the requirement to repay debts began to take precedence over any debt remission, and the novels of Dickens remind us of the existence of debtors' prisons in Britain even in the 19th. Century. To this day, it is still possible to be imprisoned in Britain for defaulting on maintenance grants and failure to pay taxes. In the development of the capitalist economy, the sanctity of contract has been one of the pillars on which it has been built, and, with that, the requirement that debts should be repaid. There has remained, however, some understanding of the potentially crippling effects of debt in the establishment of bankruptcy laws and the institution of limited liability - and in recent years a realisation that for some countries there was no way forward unless some of their debts were remitted.

The Late Twentieth Century

The catalyst for recent thinking has undoubtedly been the colossal increase in debt in the thirty years since the United States left the Gold Standard in 1971. As already indicated, Michael Rowbotham quoted the March 1997 statistical report from the Bank of England to show that, at that time, 97% of all money in the United Kingdom had been created entirely by banks and building societies (compared with 79% in 1963), with the total Money Stock (M4) increasing over the same period from £14bn to £680bn. [146] At one time M4 would have been restricted by the "liquidity ratio", according to which banks had to retain a certain percentage of their deposits in liquid form (such as cash). In 1981, however, the liquidity ratio was abandoned as part of the deregulation that was taking place of domestic and international finance. In the same

[144] John Chrysostom : *Homilies on John*, 33.3, in Charles Avila : *Ownership (Early Christian Teaching).* Orbis Books. Maryknoll, New York. 1983 p98.
[145] Cyprian : *On Works and Almsgiving*. 25.21. in Peter Phan : *Social Thought (Message of the Fathers of the Church*, Vol. 20). Michael Glazier Inc. Wilmington, Delaware. 1984. p91.
[146] Rowbotham p13.

way the “reserve/asset ratio”, which meant banks could only issue loans up to a fixed ratio of their assets, has now been replaced by the “capital adequacy ratio”, which requires only that banks have sufficient capital of their own (fixed by international agreement at 10%). However, this 10% does not have to be held in cash – in fact, it can be held in the form of all sorts of capital instruments, including government bonds. [147] Rowbotham claimed that “an economy based almost entirely upon bank-credit and debt experiences an intense drive for growth, regardless of need or demand. Bank credit engenders financial dependence, injects instability and fosters growth-distortions, both within an economy and throughout the international arena”. [148] His great concern, however, was the way in which these growth distortions threaten the lives of so many million people. The countries of the Third World he describes as “the killing fields of debt”, because of the way that the requirement of countries to pay their debts leaves the poor with insufficient food for survival. [149] Of much of the credit extended to these countries, he says, “Directed against vulnerable people and executed under the banner of “aid”, it is an injustice so profound and total and shameful that is quite without parallel in the history of human affairs”. [150]

By the 1990s most countries were experiencing the severe problems both of individuals and of countries entangled in unpayable debt, and, although concern about this was spread across a wide intellectual and religious spectrum, it was Christian thinkers and activists who were very often to the fore. Notable amongst the activists was Ann Pettifor, the chief architect of the Jubilee 2000 movement for the cancellation of debts of the world’s poorest countries, who clearly found her inspiration in her Christian faith. The idea of celebrating the year 2000 as a year for cancelling debts arose from the Pope’s decision to celebrate the year as a Jubilee year. In the book of Leviticus, the Jubilee Year was actually one for the return of everybody to their own land (Leviticus 25. 8-55), but the Jubilee (49th) Year would also have been a Sabbatical (7th) Year (when debts were to be cancelled and slaves released)(Deuteronomy 15.1-18). The effect of debt on the world’s poorest countries was certainly to make them slaves of the richest. The result of all this campaigning was a considerable reduction in

[147] Rowbotham pp25-26.
[148] Rowbotham p8.
[149] Rowbotham p130.
[150] Rowbotham p148.

the debts of the most heavily indebted countries. In some cases reductions were made (in accordance with the IMF policy of structural adjustment) in return for improvements in a country's economic structure and policies. In the case of Poland there was a massive reduction of 50% in their external debt. It has to be said, however, that, despite the success of this campaign (and of the 2005 *Make Poverty History* campaign), much still remained to be done.

Support for the Jubilee 2000 movement was found across the whole spectrum of the churches. In 1994 Pope John Paul II (in his encyclical *Tertio Millennio Adveniente*) said, "In the spirit of the Book of Leviticus (25. 8-12), Christians will have to raise their voice on behalf of all the poor of the world, proposing the Jubilee as an appropriate time to give thought, among other things, to reducing substantially, if not cancelling outright, the international debt which seriously threatens the future of many nations". [151] The Catholic Bishops Conference of England and Wales, in their document *The Common Good and Catholic Social Teaching* (London, 1996) said, "We would encourage public opinion to support the British government in maintaining a leading role in resolving the international debt crisis. Without a comprehensive solution, the necessary conditions for aid, trade and investment for poor countries are missing". [152] At their 8th. General Assembly held at Harare in December 1998, the World Council of Churches adopted a report outlining the position of the world's most indebted countries, and appealing to the Sabbath-jubilee vision found in the Jewish and Christian scriptures which offers "a critical mandate for periodically overcoming structural injustice and poverty and for restoring right relationships", and affirmed that

> a. Cancelling the debts of impoverished countries and addressing the devastating cycle of debt accumulation are matters of urgency....
> b. The basic human needs and rights of individuals and communities and the protection of the environment should take precedence over debt repayment....
> c. New structures and mechanisms, involving participation and dialogue between creditors and debtors, are critically needed....

[151] Pope John Paul II : *Tertio Millennio Adveniente*. para 51.

[152] Catholic Bishops' Conference of England and Wales : *The Common Good and Catholic Social Teaching*. London. 1996. para 104.

> d. Churches can play a powerful role in providing solutions to the debt crisis, particularly in the area of building relationships.... [153]

Examples of a new radicalism in the Anglican Communion would be the reports of the 1988 and 1998 Lambeth Conferences in their discussions of international poverty and debt. These demonstrate, in particular, the strength of feeling of bishops from developing countries suffering most from poverty and debt. So Resolution 36 of the 1988 conference "calls attention to the life-and-death urgency of the problems of world poverty." [154] By 1998, the temperature had risen even further, not least in the four plenary sessions given to international debt, which included addresses by Tony Blair (UK Prime Minister) and James Wolfensohn (President of the World Bank). Though grateful to be invited, Wolfensohn was plainly dismayed by the tone of the conference, claiming that he and the World Bank were doing all they could to address the problem of world poverty, and urging that, instead of confrontation, the churches needed to work together with the bank, each according to its different role. The report of Section I (Called to Full Humanity), however, spoke out strongly on the injustice of the current situation, describing it as "a scandal, a grave moral wrong" and saying "we must seek to release each other from exploitative relationships of debtor and creditor into the freedom to be equal persons to one another". [155] The report drew attention to the way that matters had been made so much worse through the deregulation of capital flows [156] and the fact that, whereas most individual countries have processes to deal with bankruptcies, no such process exists for nations as such. [157] In support of the Jubilee 2000 movement, Resolution 1.15 called for the urgent cancellation of all unpayable debt and the creation of "a new, independent, open and transparent forum for the negotiation and agreement of debt relief for highly indebted nations". [158]

With reference to individual writers, the great advocate of international debt reduction over this period has been Ulrich Duchrow,who was the WCC consultant for

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[153] World Council of Churches : *Together On The Way* - Official Report of Eighth General Assembly (Harare 1998). Geneva. 1999. Section 5.2.

[154] Anglican Consultative Council *: The Truth Shall Make You Free* – Official Report of the Lambeth Conference. 1988. p226.

[155] Anglican Communion : *Transformation and Renewal* - Official Report of the Lambeth Conference. 1998. p118.

[156] 1998 Conference p119.

[157] 1998 Conference p120.

[158] 1998 Conference p386.

the “conciliar process of mutual commitment to justice, peace and the integrity of all creation” initiated by the Council at its Assembly in Vancouver in 1983. Duchrow wanted the WCC to declare opposition to the capitalist economy as a “confessional issue” (a matter of fundamental faith) for the churches. The WCC resisted pressure to go as far as that, but was willing to listen to his arguments and to publish some of his books. As we shall see in a later chapter, Duchrow’s argument against the global economy centred on its injustice – which he took to be the *raison d’etre* behind the Torah legislation. This applied both to the Deuteronomic legislation (mainly in Deuteronomy 15) and the Levitical legislation (mainly in Leviticus 25). The remission of debts, which had previously happened as an act of mercy by kings “is taken out of the area of arbitrary decision and turned into a right for debtors”. [159] “The crucial event of the (Jubilee) year is the return to the original situation of equality. Everyone goes back to their own land, the basis for the egalitarian freedom of the families. Everyone who has accumulated more must give it back”. [160] Of Jesus, Duchrow says, he “obviously did not see himself as a Jewish king in the way...many of his contemporaries hoped for, but..he addresses to his disciples his Sermon on the Mount, the updating of Israel’s Torah for the alternative lifestyle of the “contrast society””. [161] In specific relation to debt remission today, he says, “If there exists a direct analogy to biblical situations, demands and strategies, then it is here in the indebtedness of the Southern countries, which once were colonies and are now controlled in a neo-colonialist way”. [162]

In *Grace and Mortgage* (1997), Peter Selby draws a clear contrast between what he calls an “economy of grace” and an “economy of exchange”, suggesting that the Christian Church, if it is true to its tradition, should be encouraging economic relations based on generosity (grace) rather than those based on a culture of credit and debt (mortgage).

Selby begins from a description of the dominating influence of debt in present-day society, from the individual level right up to the international level. He points out how debt is now widely assumed to be the normal basis for one’s financial affairs. At the

[159] Duchrow p158.
[160] Duchrow p168.
[161] Duchrow p183
[162] Duchrow p294.

same time, he points out that the motivation behind it is normally the desire of the creditor to make as much money as possible: "The world that has been unleashed around us is one in which the making of money out of money has become the most exciting world of adventure and the greatest source of wealth for the richest people in the world. Increasingly the balance shifts so that the activity of lending and borrowing – that is, the enabling of one person to use resources which at that time another does not require, but may require someday – is not what is carried on in order to support human beings in their personal lives and their productive activity, but is that for which life is engaged in". [163] He says, "Lending and borrowing can, when the transaction is carried on by two voluntary and equal participants, facilitate the best use of available resources; but it can only do that if its highly dangerous capacity to bind the future and impose the will of the creditor on the debtor are recognised and controlled". [164]

In relation to international debt he recognises the normal requirement that debts should be repaid, but argues that the misery created for millions in the developing countries should produce a willingness to waive the requirement in some cases. "It appears that the most likely way forward in practice will be a case by case consideration of the needs of particular countries. In the manner of applications for bankruptcy (under national laws), where there is a genuine case that the burden of debt is clearly beyond repayment, an opportunity for a fresh start will be given and full repayment will not be required". [165] This cannot be argued from the current rules of the market. Rather it is a matter of justice and of mercy – and he quotes the famous words of Portia in "The Merchant of Venice": "(Mercy) is an attribute of God himself, and earthly power doth then show likest God's, when mercy seasons justice". [166] He then goes on to show that this is the attribute of God which is revealed in the Mosaic legislation and throughout the whole of the Scriptures – an attribute which believers are to demonstrate as well, and to urge upon their fellow human beings. In an economy of gift (or an economy of grace), the rules are entirely different from those in an economy dominated by debt (an economy of mortgage).

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[163] Peter Selby : *Grace and Mortgage*. Dartman, Longman and Todd Ltd. London. 1997. p55.
[164] Selby pp68-69.
[165] Selby p100.
[166] William Shakespeare : *The Merchant of Venice*. Act 4, Scene 1.

Selby gives no indication in his book as to how an economy of mortgage could, in practice, be turned into an economy of grace, though he argues that creating an economy of grace is to follow the example given to us by God Himself. Kathryn Tanner goes further in suggesting a "number of points at which theological economy can latch or hook onto the present operations of global capitalism". [167] It is her conviction that there are many issues where Christians and others could find common cause if they were able to enter more into dialogue; but she too avoids the practicalities of reducing the influence of debt. The general tactic adopted by Christian writers (including the Doctrine Commission of the Church of England) seems to be that the most fruitful action the church can undertake is to demonstrate the values of an economy of grace in its own life and the lives of its members, and to encourage the development of small "economies" where these values are expressed. In *Alternatives to Global Capitalism*, Duchrow mentions a number of attempts that have been made and could be made, not least in the form of co-operative companies and of co-operative banks. "With regard to money", he says," it is vital to largely eliminate money as a means of preserving value and to redefine it as a medium of exchange for utility goods and as a form of production loan, with fair or no interest rates, as a function of the productive power of the producer". [168]

The cancellation of debt is still a subject to arouse controversy, as it was at the time of the Jubilee 2000 campaign. Debt repayment has always been important for giving security to lenders, and is one of the fundamental tenets of capitalism. If some debts can be remitted (it is argued) the fundamental principle of repayment is undermined, the flow of loans could dry up, and debtors would lose a major source of motivation for putting their house in order. This is not in fundamental conflict with the Old Testament Law, however, because loans to the poor are encouraged to enable them to cope with temporary misfortune, and repayment is expected. What the Law could be encouraging is simple realism – that sometimes repayment will not be possible, and that the most realistic solution is debt cancellation. As already suggested, however, it could sometimes

[167] Kathryn Tanner : *Economy of Grace*. Fortress Press. Minneapolis. 2005. p89.
[168] Duchrow p252.

be a matter of life and death. As it is presented, the cancellation provision is based on a philosophy of justice and equality (to which we shall soon be turning). In general terms, we could say that the Law displays a recognition that loans can often achieve a useful purpose, but that it also displays a concern about the dangers that can result.

Credit and debt are two sides of the same coin. Credit, as we have seen, has been a key element in the growth of the capitalist economy, and is the great engine of economic growth. There are many, including Christian writers, who will put the argument that it is indispensable in the modern world. The key question, however, is of *how far* it should be allowed to go - and this has been brought to the attention of the whole world by the economic crisis which began in 2007, where the chief perception is that the crisis was caused by an expansion of credit/debt far in excess of what the system could contain. Church leaders have not been slow to make their voices heard at this point. So the Archbishop of Canterbury, for instance, wrote in The Spectator that the crisis had exposed “the element of basic unreality in the situation – the truth that almost unimaginable wealth has been generated by equally unimaginable levels of fiction, paper transactions with no concrete outcome beyond profit for traders”. [169] From this point of view, the implication of the Torah legislation for today is that debt must have *limits.* In principle, lending is useful. But, at the same time, there are limits – one of which is the ability of debtors to pay back their loans.

A Fundamental Problem

Nothing said here should detract from the value of credit. Even in a simple society, lending can be a life-saver for a person in trouble. In the modern capitalist economy, it is an essential element, enabling producers to purchase raw materials to create their products, and retailers to buy goods in advance of sales. On top of this, however, we have to appreciate that the defining aspect of the capitalist economy is the making of profit, and (as Mary Mellor points out) if all this production is to produce profit, there must always be new money coming into the system. She writes (following Marx) :-

[169] Rowan Williams, in *The Spectator*, 23rd. September 2008.

> In (simple) commodity exchange ... a commodity is sold for money and the money is then used to buy another commodity (C – M – C). Capitalism is very different. The motive for making the commodity in the first place is to make money. Money is therefore invested in commodity production with the aim of selling the product at a profit, that is M – C - M+). Whilst the first system could operate without necessarily dramatically expanding the money supply, the second must have a continually growing supply of money to create the desired profit... Therefore, to make this circuit possible new money must continually enter the system. [170]

And the point is that, in the system operating at the moment, this extra money is always introduced as debt. Either a private bank creates it as a loan, or else a central bank creates government bonds, which also function as loans. The effects of this are even greater (as we shall see in the next chapter) if debts are re-payable with interest (and still more with compound interest). In a later chapter we shall see how this leads to the continual need to find new markets and increase sales. Debt, therefore, becomes the foundation of the capitalist system, and when the system is flooded with debt (as David Jenkins points out) it has only got to have a sufficient number of knock-on effects from defaults (in re-paying debts) for it to collapse. [171] The truth of this we have seen in the near-collapse generated in the recent economic crisis. Hence the need, in coping with the crisis, to inject more money into the system. The only problem with that is that it has been in the form of even more credit, creating even more debt.

Another way of putting this is to say that the success of the capitalist system depends on continual growth – not just because people want more and more, but in order to finance the debt which is endemic to it. The difficulty about this is that, in this process, there is an inevitable consumption of capital – partly of financial capital, but (most significantly) of environmental capital. Over the last forty years – particularly since the publications of "The Limits to Growth" in 1972 - there has been growing concern and alarm at the depletion the resources of the planet. [172] What has become abundantly clear is that such depletion is an inevitable product, over the long term, of the

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[170] Mary Mellor : *The Future of Money*. Pluto Press. London. 2010. p83.

[171] David Jenkins *: Market Whys and Human Wherefores*. Continuum. London and New York. 2000. p211.

[172] Donella H. Meadows, Dennis L. Meadows, Jergen Randers and William W. Behrens III : *The Limits to Growth*. Universe Books. New York. 1972.

capitalist economic system. Philip Goodchild expresses this in dramatic terms when he says :

> Income may derive from the consumption of capital as well as from new production. An enterprise may destroy the conditions that make it possible in the very process of production. For capital itself includes all the means of production, including the prevailing conditions that make production possible. .... An economic system that is constructed around the maximization of short-term profits will necessarily consume its capital... It is inevitably bound for crisis...Such is the inevitable contradiction of capitalism : it is necessarily self-destructive...Economy and ecology are mathematically incompatible". [173]

Is it possible to envisage an economy which is not harnessed to growth? In *Prosperity without Growth*, Tim Jackson argues that we need (1) a new growth engine based on non-polluting energy sources, selling non-material services, not polluting products (2) a move from an emphasis on consumption to one of ecological investment (3) a change of human expectations. [174] Here too, as in most analyses, there is a failure to understand that the chief root of the problem is not just a matter of selling different commodities, nor even the profit motive, but debt. A programme such as Jackson suggests, while it offers some hope, fails to address the question of debt, and the fear must be that, unless this is addressed, the task will be beyond us. Governments are uttering brave words at the moment about reducing their national debts. It is not being over-pessimistic to foresee that the pressures for growth in the capitalist economy are such that only small reductions will actually be achieved. Meanwhile the amount of debt in the economy at large will almost certainly continue to grow.

A much stricter regulatory machinery would obviously be a considerable help, particularly if it could be implemented across the whole global system. Altvater points out that, from a historical point of view, a pure market economy never existed. It has always had to be regulated by society. [175] What may actually be needed are measures to take much of the debt out of the system through the issue of debt-free money - as

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[173] Goodchild : *Theology of Money*. pp83-85.

[174] Tim Jackson : *Prosperity Without Growth : Economics for a Finite Planet*. Earthscan. London. 2009. Chaps 8 and 9.

[175] Altvater, p238.

has been argued by many writers regarded in the past as cranks or hopeless idealists. In her book *The Coming First World Debt Crisis* (2006), in which she correctly predicted the crisis which broke only a year later, Ann Pettifor argues that credit creation (unless backed by reserves) should be removed from private banks and returned to the state, which should create interest-free money, to be used either for its own products or for those involved in productive activity which is of real benefit to the community. [176] The writer who has tackled this most is Richard Douthwaite, beginning with *The Growth Illusion* (1992) and followed by *Short Circuit* (a survey of many methods of reducing dependency on the present money system)(1996), and *The Ecology of Money* (1999). In the latter book he proposes the issue to each country (according to the size of its population) of international currency consisting of energy-backed currency units (ebcus), and a national issue of currency to be used only for exchange purposes. [177] Thomas Greco considers that the issue of credit/money should be taken out of the hands of governments (and banks) altogether, and be issued free of debt by community credit-clearing agencies. [178]

Mary Mellor draws attention to the fact that, in the crisis of 2007-2008, the free-market system would have collapsed but for the intervention of governments, thus demonstrating that, despite all the rhetoric about free markets, markets are ultimately viable only through government (i.e. public) support. She claims that it is time for the community to reclaim responsibility for money, which in recent years has been hi-jacked by private interests. As with Pettifor, the chief instrument for achieving this would be state issue of debt-free money. [179]

[176] Ann Pettifor : *The Coming First World Debt Crisis*. Palgrave Macmillan. Basingstoke. 2006. p177.

[177] Richard Douthwaite : *The Ecology of Money*. Green Books. Totnes. 1999. pp58 and 61-62.

[178] Thomas H. Greco Jnr : *The End of Money and the Future of Civilization*. Floris Books. London. 2009. pp92 onwards.

[179] Mellor, pp160-175.

Conclusions

There is much discussion now (in 2010) about the future structure of the world economy. The conclusion of this chapter would be that, from the point of view of Christian theology, there is a great question-mark over the whole matter of debt. I have suggested that the debt cancellation requirement in the Torah is essentially a question of protecting the weak from what could in some circumstances be catastrophic outcomes. But it is also a question of establishing limits – in that, unless debt is limited, it can have catastrophic outcomes for the whole community. Probably the most significant limits we have to face up to today are those of natural resources. In the contemporary situation this is also a question of how much credit states and banks can realistically create, and an ethical question of the constraints which need to be observed by those involved in what is often described as “speculation”. Altogether, there is the whole question of the degree to which all financial activity should be regulated. As the system operates at the moment, it has a foundation in debt that seems to be accepted as the only basis for a modern economy. From Christian theology, however, there emerges a strong warning about the dangers of debt, which could require a total re-configuration of the economy. At the very least, it calls for questions to be asked at many levels, so that the worst effects of debt are tackled, and some stability brought to a system which is otherwise fundamentally unstable.

Since borrowing is almost always borrowing at interest, I will now consider the further problems created by interest.

Chapter Four

MONEY AND INTEREST

The practice of lending at interest is now so firmly embedded in our economic system, and so accepted as a normal aspect of life, that any suggestion to abolish it, or even control it, can be seen as antiquarian, anti-business and restrictive of human progress. This would be the opinion of most Christians today. The purpose of this chapter will be to examine why lending at interest was opposed for so long by Christian writers, and whether this could still be relevant today. In the earlier literature the word "usury" was normally used to refer to any lending at interest, and the early opposition was, therefore, to any lending at interest. More recently, the word has come to refer to lending at excessive rates of interest, rather than any rate of interest. Most of this discussion will be centred on lending at any rate of interest.

The Torah Prohibition

I have shown in the last chapter that the Jewish Law encouraged the giving of loans, even if it required that in certain circumstances they should be cancelled. What was forbidden was the charging of interest. This prohibition is stated three times in the Law (Exodus 22.25, Leviticus 25. 35-37, Deuteronomy 23. 19-20), the first two referring to loans to the poor, the third to loans to fellow-Jews. The difference between the first two and the third has caused much discussion over the years. It has been suggested, for instance, that the third must also refer to loans to the poor. On the other hand, taking the Deuteronomic reference as it stands suggests that it could apply to all loans to fellow-Jews, rich or poor. In this case, it might refer not just to charity loans but to commercial loans as well. The matter is further complicated by the particular mention in Deuteronomy that it would be possible to take interest from non-Jews.

Whichever way we understand it, the Torah prohibition has no parallels in other contemporary law codes. Other codes, like that of Hammurabi, restricted the amount of interest that could be charged in certain circumstances, but otherwise the charging of interest was common. It was not until 342 B.C. that interest was prohibited under Roman Law, and then only for a short time. This is in contrast (as already mentioned) to the question of debt cancellation, which was already practised extensively.

The question of the Deuteronomic reference to foreigners may be partly explained by the fact that the Hebrew word used is *nokri* as opposed to *ger*. Paul Mills comments :-

> *Nokri* is usually translated as "foreigner" or "stranger" and carries the negative connotation of "alien". If the *nokri* was resident in Israel, this would only have been temporary. *Ger*, meanwhile, refers to a resident immigrant or sojourner within Israel and usually implies that the immigrant was a proselyte to the Jewish faith. The *ger* was given legal protection in Israel (e.g. Leviticus 19.33-34) and was held accountable to Jewish law (e.g. Leviticus 24.22). No such privileges or obligations were extended to *nokri*. [180]

Arising from this, Calvin suggested that loan relations with *nokri* would have been on a commercial basis, and not to have taken interest from them would have produced an uneven playing field in commercial lending – Jews having to pay interest to *nokri* but not receive it in return. Calvin also suggested from this that the Torah prohibition was on personal loans, and didn't apply to commercial loans. What this ignored, however, was that other references to the payment of interest in the Old Testament made no distinction between loans to the poor and commercial loans (Psalm 15.5 and Ezekiel 18.13), and that the Jewish rabbis in general made no such distinction (e.g. "A usurer is not accepted until he tears up his notes, and is checked to make sure he has undergone a complete reformation").[181]

At the same time, mention must be made of the famous opinion of the eminent rabbi Hillel, who said that a loan made for the purpose of trading (rather than to help a poor man) could be extended beyond the sabbatical year. [182] The Talmud justified this on the basis that the Jubilee Year was no longer in operation. [183] Whatever the

[180] Paul Mills : *Interest in Interest (The Old Testament Ban on Interest and Its Implications for Today).* Jubilee Centre. Cambridge. 1989. p5.
[181] *Mishnah Sanhedrin*. 3.6.
[182] *Mishnah Sebiit. 10. 3-6.*
[183] Hyam Maccoby : *Early Rabbinic Writings.* Cambridge University Press. 1988. p76.

justification, however, this radical reform resulted in business loans being extended over a longer period than a strict understanding of the Law might appear to allow, and, over the years, this had a considerable impact on economic life. [184] Though mention is not made here of interest, a clear line has been drawn between personal and business loans.

When we come to the New Testament, we find that Jesus only refers to usury in the parables of the Talents and the Pounds. His purpose was not to produce a new legal code, but to bring salvation . In Matthew 5.17, he said that he had not come to destroy the Law, but to fulfil it, and that "not the smallest letter, not the least stroke of a pen, will by any means disappear from the Law until everything is accomplished" (Matthew 5. 18 NIV). On the basis of this passage and his frequent quotations from the Law (not to mention that the Early Church continued to oppose usury), we may safely assume that he would have accepted the proscription of usury without question. As far as the parables of the Talents and the Pounds are concerned, where a servant is told that he could have put his master's money on deposit with bankers so that when the master returned he could receive it back with interest (Matthew 25.27 and Luke 19.23), it should be appreciated that this is an incidental part of these stories, the main purpose of which is to teach that Jesus' disciples should be active, using the gifts that God has given them, and it would be very dangerous to draw from so small a detail a doctrine that Jesus never taught elsewhere and would have been in contradiction to the teaching which we find both in the Law and in the Early Church. If we want explicit teaching of Jesus, we can turn to Luke 6.35, where he encouraged his followers to give generously, even to their enemies, "without expecting anything back" (NIV). Though there is no explicit mention here of interest, the spirit which Jesus is encouraging would hardly restrict itself to the returning of capital, while still requiring the payment of interest.

In the Early Church Fathers we again find little reference to usury as such, the emphasis being more on generosity. There are occasions, however, where usury is mentioned – as in Basil's Homily *Against Lending With Interest* (on Psalm 15), where

[184] Maccoby , p77.

he says, "If you take from the poor, you commit the worst crime of humanity: you derive profit from miseries, you gain money from tears, you oppress the needy, you starve the hungry. You have no mercy whatever, you do not realize the bond you have with those who suffer. And yet you call acts of humanity the profits you receive". [185] Similarly, Ambrose, in his homily on Tobit 4. 7-11, not only emphasizes Tobit's call to almsgiving, but accuses those who lend with the expectation of receiving interest : "You subject the poor to usury; you know how to oblige them to pay you interest even when they do not have enough to look after their basic needs…….Can you imagine anything more perverse ? The poor ask for medicine and you give them poison". [186] Ambrose follows Jerome in condemning all taking of interest – except (in his opinion) that from those who can justly be called enemies (on the basis of Deuteronomy 23.20). [187]

The Scholastics

Throughout this period usury was condemned in church law, but accepted in Roman Law. [188] It was first prohibited in secular law by the Emperor Charlemagne in 789, followed by a series of laws in 813, 825 and 829 strengthening the punishments for taking interest within the Holy Roman Empire and appealing to local rulers to co-operate with the bishops in suppressing the practice. Similar actions were taken in Britain by the Council of Northumberland, Alfred the Great and Edward the Confessor. [189] It is clear, unfortunately, that those who wished to do so found ways of circumventing the law. [190] But the church continued its opposition – for instance in the second and third Lateran Councils of 1139 and 1179. At the latter it was proclaimed

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[185] Basil : *Homily Against Lending With Interest* (Psalm 15). Migne : *Patrologia Graeca* 29.265, in Peter C. Phan : *Social Thought (Message of the Fathers of the Church*, vol 20). Michael Glazier Inc. Wilmington, Delaware. 1984. p112.

[186] Ambrose : *Homily on Tobit*. 11, in *Corpus Scriptorum Ecclesiasticorum Latinorum* 32.2.523, In Phan p180.

[187] See also Augustine: *Sermons*. 239.4.

[188] S.C. Mooney : *Usury, Destroyer of Nations*. Theopolis. Warsaw, OH. 1988. pp39-40.

[189] Mills, p10.

[190] Mooney, p42.

"we ordain that manifest usurers shall not be admitted to communion, nor if they die in their sins receive Christian burial". [191] Such threats proved to be sufficient to restrain some, but not all.

The issue became a serious one with the revival of trade in the late 11th. Century, and Christian debate was fuelled by translations of, and commentaries on the works of Aristotle, which had been lost in the West but preserved in the Arab world. The first reaction of the church was to ban any teaching of Aristotle. However, his works aroused such interest, that they were impossible to suppress. In the end, the church made it compulsory for an Arts degree to start with study of Aristotle ! It can been argued that the prominence given to the teaching of Aristotle has had an overly controlling influence on the teaching of the Catholic Church right up to the present day. [192] What it did, at the time, was to bring to ethical discussion a new source of ideas with which to grapple with philosophical questions – the most significant of which was the idea of "natural law". [193] The idea of a "natural law" is hinted at by St. Paul in Romans 1. 18-32. However, it had also been developed by Aristotle, and (in a separate tradition) by the Stoics and in Roman Law. For Thomas Aquinas, "Natural Law is inherent in the essence of created things, in the good ends that are natural for all humans to pursue, the potential that humans generally share….Whatever preserves human life and wards off obstacles is in accordance with natural law". [194]

On the issue of usury, there remained a strong condemnation of usury as a kind of theft, for which suitable restitution should be made, and from the twelfth to the first half of the 14th. Century the church continued to insist on restitution of usury charged by its members. The church itself benefited greatly, in fact, where there was uncertainty as to who exactly had been wronged, as restitution in such cases could be made to the church, with the idea that it would be used for the benefit of the poor. There were, in practice, examples of doubtful financial transactions involving money-

[191] *Decree of the Third Lateran Council* (1179), para 25.
[192] G.G. Coulton : *Studies in Medieval Thought.* Russell and Russell. New York. 1965. p144.
[193] Coulton, p136.
[194] A.F. Holmes, in *New Dictionary of Christian Ethics and Pastoral Theology*. Inter Varsity Press. Leicester. 1995. p620.

lending both by bishops and by monasteries. [195] Initially, the amount of restitution to be made was easily calculated – any sum charged in excess of the original loan. However, it soon came to be realised that the passing of time could make a difference, and could lead to a sum loaned increasing in value. Pope Gregory IX (in his decree *Naviganti*, 1227-34) allowed a higher price to be charged where payment was deferred over time, if there was real doubt about the future price of the goods. [196] Basically, the church avoided the fundamental issues raised by money-lending, by allowing Jews to take on the role of money-lenders – even at interest – since Jews were beyond its jurisdiction, and, as we have seen, the Torah allowed them to take interest from non-Jews (Deuteronomy 23.19-20). The Jews were hated for their money-lending. On the other hand, they provided a very useful service, of which many took advantage. As Little comments, “The main function of the Jews in the Commercial Revolution was to bear the burden of Christian guilt for participation in activities not yet deemed morally worthy of Christians”. [197]

This money-lending at interest had always been recognized in Roman Law in the sense that it allowed for a penalty to be paid by a borrower who was late in repaying his loan. The word “interest” was first applied to this penalty by the Bolognese lawyer Azo in the first two decades of the 13th. Century. The 13th. Century canon lawyer Hostensius justified it because it was sought for the sake of avoiding loss rather than making gain, and many of the scholastics agreed. [198] The next step from this was to seek payment for damage or loss (damnum emergens), or for profit forfeited which the lender might have had if he hadn’t made the loan (lucrum cessans). Of these, lucrum cessans was unacceptable for many years – as, for instance, Thomas Aquinas: “The lender cannot enter an agreement for compensation, through the fact that he makes no profit out of his money: because he must not sell that which he has not yet and may be prevented in many ways from having”. [199] “Damnum emergens” had a certain plausibility. But here again Aquinas is quite firm in his opposition, recognizing

[195] Diana Wood, pp171-173
[196] Wood, pp175-176.
[197] Lester Little, p56.
[198] Wood, pp188-189.
[199] Aquinas : *Summa Theologica.* Part 2, Second Part. Question 78. Article 2. p335.

that to accept it would be to abandon the concept of a free loan. "For he who lent money ought to beware lest he incur damage for himself. [200]

What was particularly contentious was the idea that such payments might be paid from the beginning of a loan. The first canon lawyer to admit interest from the beginning of a loan on the basis of the profit which the lender was not able to make was probably Hostensius, who allowed interest to be payable on a loan "provided that nothing is done in fraud or usury….and provided that the said merchant will not have been accustomed to give his money in such a way to usury. [201] John Noonan comments, "This authoritative canonist's recognition of pure lucrum cessans , however restricted as to practical conditions, is of the highest moment….It is, of course, impossible to know how many businessmen acted in good faith upon the opinion of a single author…But the opinions of Hostensius carried much authority". [202]

The first theological tract devoted entirely to the problems surrounding the handling of money was the *De Usuris* of Giles de Lessines, written between 1278 and 1293. [203] Though strongly opposed to usury (or any financial activity) where the original intention was the making of profit, Giles commented favourably on various reasons for justifying interest, even justifying the profession of money-lenders. Wood comments :-

> His contribution was fundamental. He considered that there were certain circumstances in which a seller could ask for a higher price for a credit sale without committing the sin of usury. In the first place, there might be seasonal variations in market prices for crops, for example, corn would be scarcer (and dearer) in the spring than in the autumn. If payment was to be made in the spring, then presumably the spring price would be charged. Secondly, there might be an increase over time in the number, size or value of natural objects – crops, forests, or animals - which would justify a higher price. Thirdly, Giles lists "the nature of the thing in relation to local conditions", by which he probably means changes in a local market price due to demand. In all of these three cases, provided that there is no fraud

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[200] Ed. Brian Davies : *The De Malo of Thomas Aquinas*. Translation by Richard Regan. Oxford University Press. London. 2001. Question 13, art 4, ad 14.

[201] Hortensius : *Commentaria V. De Usuris*, 16.

[202] J. T. Noonan, p118.

[203] Odd Langholm, p300. For many years it was thought that the *De Usuris* was from the pen of Aquinas. The most available text is still to be found in Thomas Aquinas : Opera (Parma Edition). Vol 17, pp413-436. To my knowledge it has never been translated into English.

> or dishonesty involved, the charging of a higher price for credit is justified because of the increase in the value of the goods over time. [204]

In the writings of Thomas Aquinas (c1225-1274), we have arguments based primarily on Aristotelian and Natural Law foundations. Joan Lockwood O'Donovan comments, "Thomas' natural-law arguments begin and end with usury as a sin against justice in exchange, a violation of the requirement of equality of value in the things exchanged". [205] His treatment of usury is set out in ordered form in the *Summa Theologica* Question 78. Here we read, first of all, the passage quoted earlier about money as a fungible; then, almost immediately afterwards, we read the quotation already quoted of Aristotle's opinion that money was invented chiefly for purposes of exchange, which concludes, "Hence it is by its very nature unlawful to take payment for the use of money lent, which payment is known as usury". [206] The barrenness of money, by contrast, is not explicitly mentioned. However, it is implied by Aquinas' reflection (already noted) that, if someone makes profit from using a loan, that profit is the result of that person's labour, and, therefore, should not be repaid along with the loan. [207]

We can see the same implications in the exceptions to the usury prohibition that Aquinas allows or does not allow in Article 2. Here he says, for instance, concerning "damnun emergens" that "a lender may without sin enter an agreement with the borrower for the loss he incurs of something he ought to have (e.g. if there is delay in returning a loan)". On the other hand, concerning "lucrum cessans", he says, "but the lender cannot enter an agreement (at the time of the loan) for compensation, through the fact that he makes no profit out of the money ; because he must not sell that which he has not yet". [208] In the case of "damnum emergens", Aquinas is suggesting that there would be no question of the money itself breeding more money – rather that the money (lent but not returned) could have been used for another purpose. In the case of "lucrum cessans" the money concerned would have been used for the two

[204] Wood, p176.
[205] Joan Lockwood O'Donovan, p109.
[206] Summa Theologica. Question 78, Art 1. p331.
[207] Question 78, Art 3. p339.
[208] Question 78, Art 2. p335

different purposes of exchange and profit-making. [209] Aquinas was also quite happy for interest to be paid where a person puts money into a partnership (as opposed to a loan), on the grounds that the ownership of the money is not transferred to someone else, but remains his own, risk is shared, and the fungible money is not consumed. "He that entrusts his money to a merchant or craftsman so as to form some sort of society, does not transfer the ownership of his money to them, for it remains his, so that at his risk the merchant speculates with it, or the craftsman uses it for his craft, and consequently he may lawfully demand , as something belonging to him, part of the profits derived from the money". [210] The profits made by the partnership can then be attributed to the labour contributed in the partnership rather than to any quality inherent in the money itself.

On the question of the Deuteronomic exception (that interest could be charged to foreigners), Aquinas claimed that this exception no longer applied, since the gospel calls us to treat everyone as our neighbour. The exception in the time of Moses was simply to avoid avarice leading them into the greater evil of taking interest from fellow Jews. [211]

For us today, such arguments may carry little weight, because most people find the whole idea of a fungible of little significance, not to mention the idea that money should be such a fungible, and those outside the Catholic tradition are not as impressed as Aquinas was either by the teaching of Aristotle or by the Roman Law. In this connection we could also quote the view of Langholm that the whole situation has been changed by the fact that most credit transactions nowadays make no use of material money : "In terms of modern credit transaction, which does not involve specie at all, the consumptibility argument is meaningless. Its whole sense rests on the

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[209] It should be noted that, in *De Malo*, Aquinas was less accepting of "damnus emergens". There his argument is that "some say that homes and horses, unlike money, suffer deterioration through use, and so lenders can receive something as compensation for this. But this is no argument, since one accordingly could not justly receive greater compensation for a rented house than the house would thereby lose value. Therefore we should say that it is licit to sell the use of a home, but not of money" (*De Malo*. Question 13. Art 4, Reply 4).
Nevertheless – possibly because the Summa was published later – it is the estimation included in the Summa that came to be widely accepted by later scholars.

[210] *Summa Theologica* . Question 78. Art 2. pp336-337.

[211] Question 78. Art 1. pp331-332.

idea of money as a physical thing, which Aristotle impressed so strongly on the medieval world". [212] It was this kind of argument in the attempt to uphold a ban on usury that made little impact on the merchant class of the Renaissance. The fact is that the ban on usury could have been argued on lines like those used in the Scriptures and in the early Fathers, or even more clearly on the basis of Natural Law. It might still have failed, as it did in the Protestant countries, but at least the issues involved might have been clearer.

Even so, the controversy over usury was to continue for many more years (and in various ways till the 20th. century). The practice that proved most difficult to combat in the 15th. century was that of the compulsory loans required from citizens by various state governments, on which interest was paid. These loans obviously took the place of taxation, the pill being sugared by the payment of interest. As we shall see, the church developed similar funds for charitable purposes (known as "montes pietatis"), without the payment of interest – but pressure mounted for the covering of expenses. [213] Controversy continued also on the question of bills of exchange – which were agreements to discharge a debt somewhere abroad, at a future date, and in a foreign currency. These were immensely popular, obviating the necessity of transferring large amounts of bullion from country to country, and a great facilitator of trade, being a combination of a credit and an exchange transaction that invariably included the payment of interest.

The matter of interest was finally resolved (if that is the correct word) by Pope Leo X at the Fifth Lateran Council in 1515 through his bull in relation to Mons Pietatis (a public fund for lending money to the poor), when he allowed interest to be paid from the beginning of a loan in order to cover expenses and indemnify the lender against loss. He continued to define usury as occurring "when, from its use, a thing which produces nothing is applied to the acquiring of gain or profit without any work, any expense or any risk", [214] but, in his ruling on Mons Pietatis, Pope Leo undermined most of the

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212 Langholm, p242.

213 Noonan, p295.

214 Fifth Lateran Council, Session 10. 4th. May 1515 – in ed. Norman P. Tanner : *Decrees of the Ecumenical Councils*. Vol 1. Sheed and Ward Ltd. Georgetown University Press. 1990.

foundations of the church's usury doctrine. By suggesting that interest could be made, provided that it involved labour, cost or risk, he was sanctioning the main reasons given for charging interest. All that survived was condemnation of the totally idle lender making effortless profit at no risk – together with condemnation of those making inordinate profit (which is the way usury is usually understood today). This seemed to be the end of a long road whereby the activities of both traders and bankers could be justified. "(The public funds) do not introduce any kind of evil or provide any incentive to sin if they receive a moderate sum for the expenses of those employed and other things pertaining to the upkeep of the organizations, and provided no profit is made therefrom". [215]

John Calvin

The leaders of the Reformation were often conservative in their attitude to usury, but approached it from an entirely different direction. Whereas the Scholastics had based their teaching on Natural Law, and had sought to work out precise rules that everybody should follow, the Reformers based theirs on the teaching of the Bible and their conviction that each individual was responsible for applying it in their lives. In the teaching of Martin Luther there are two important points to be made in relation to the question of usury. The first is that he categorically condemned usury. The second, however, is that, in his teaching about the "two kingdoms", he handed over to the state the responsibility for formulating and enforcing laws in the secular sphere – so that, however much he and his followers might preach against usury, there was no guarantee that rulers would follow in the same direction. The same could also be said of John Calvin, [216] except that Calvin was much more sympathetic towards the growing commercial classes and the need for Christians to come to terms with the new economic situation. Graham comments, "Calvin's world-affirming theology is quite apparent. Where Luther views with alarm the evidences of evil in the commerce he sees, Calvin grimly assumes that *all* human enterprise is tainted with evil – a safe

[215] Tanner, p627.
[216] John Calvin : *Institutes of the Christian Religion*. Book 4, chap 20, section 1.

assumption – and sets about to make the gospel relevant to the city of commerce in which he lived and laboured". [217]

In fact, Calvin and his fellow pastors in Geneva worked hard to try and persuade the city council to follow economic practices which they felt to be in accord with the Christian faith, and the councillors often sought the opinion of the elders on such matters – e.g. in fixing fair wages. [218] As with the scholastics, however, the question which arose continually was that of usury, and so attempts were made on a number of occasions to fix reasonable levels of interest. On 14th. December 1543 the Small Council ordered that where interest was paid in kind (for instance, when a farmer had to borrow at seed-time and pay back at harvest), it must be reduced to 5%. Then, the following year, a similar decision was made with regard to all loans, this time by all the citizens meeting as the General Council. [219] This figure was maintained for about 10 years, before pressure mounted for an increase (possibly because the owners of money were not willing to lend it at the lower price). In 1557, therefore, a new edict was passed raising the interest rate to 6.67 %. [220]

After Calvin's death the matter arose again, because of higher interest rates in nearby cities, and the Council minutes make interesting reading : "After many long discussions it has been ordered to hold to the preceding edicts, which are reasonable and severe enough, which also the late Monsieur Calvin, when he was asked, had found good, without changing anything. Yet this does not mean to punish those who will exceed by one (per cent ?) or a little more, especially when they lend to merchants". [221]

Calvin's doctrine of usury is spelt out in a number of places. In his letter to Claude de Sachins, written in 1543, around the time when this was a burning issue in the city, he maintained the strictness of Luther, but was also critical of some of the arguments

[217] W. Fred Graham : *John Calvin, the Constructive Reformer*. John Knox Press. Richmond, Virginia. 1971. p79.
[218] Graham pp80-87 and 129-133.
[219] Graham, p118.
[220] Graham, p120.
[221] Quoted in Graham p123.

made from scripture by those opposing the payment of interest. He maintained, for instance, that the word of Jesus in Luke 6.35 (“Lend hoping for nothing in return”) “ought to be interpreted that while he would command loans to the poor without expectation of repayment or the receipt of interest, he did not mean at the same time to forbid loans to the rich with interest”. He continued, “It could be wished that all usury and the name itself were first banished from the earth. But *as this cannot be accomplished* (my italics), it should be seen what can be done for the public good”. Although he recognized the strength of the biblical opposition to usury, he claimed that “our state today is very different in many respects. Therefore usury is not wholly forbidden among us unless it be repugnant both to justice and to charity”. He also dismissed the argument (which went back as far as Aristotle) that it was wrong to charge interest because money is barren. He said that the walls and roof of a house are barren, but it is still permissible to make money by charging someone for making use of them. He concluded “I therefore conclude that usury must be judged not by a particular passage of scripture, but simply by the rules of equity”. [222]

Similar arguments are made (at a later unknown date) in a Letter “to one of his friends”, where he argues that there is no scriptural passage that totally bans all usury, and that a political union of his time was very different from the situation which brought the Jews together. “For that reason, he says, “I am unwilling to condemn it, so long as it is practiced with equity and charity”. But he concludes with a number of clarifications :

> I must re-iterate that when I approve of some usury, I am not extending my approval to all its forms. Furthermore, I disapprove of anyone engaging in usury as his form of occupation. Finally, I grant nothing without listing these additional exceptions: The first is that no one should take interest from the poor…The second exception is that whoever lends should not be so preoccupied with gain as to neglect his necessary duties, nor, wishing to protect his money, disdain his poor brothers. The third exception is that no principle be followed that is not in accord with natural equity, for everything should be examined in the light of Christ’s precept : Do unto others as you would have them do unto you…. The fourth exception is that whoever borrows should make at least as much, if not more, than the

[222] Letter to Claude de Sachins (1543). Opera X. 1. (Col 38.1) cols 245-9. Translated freely in Georgia Harkness : *John Calvin*. pp204-207.

> amount borrowed. In the fifth place, we ought not to determine what is lawful by basing it on common practice or in accordance with the iniquity of the world, but should base it on a principle derived from the Word of God. In the sixth place, we ought not to consider only the private advantage of those with whom we deal, but should keep in mind what is best for the common good….In the seventh place, one ought not to exceed the rate that a country's public laws allow. [223]

The matter is discussed several times in Calvin's commentaries. So, for instance, in the commentary on Psalm 15.5 ("He putteth not out his money to usury……he that doeth these things shall not be moved for ever"), Calvin spells out the dilemma involved in pronouncing on the subject :

> If we condemn all (kinds of usury) without distinction, there is a danger lest many, seeing themselves brought into such a strait, as to find that sin must be incurred, in whatever way they can turn themselves, may be rendered bolder by despair, and rush headlong into all kinds of usury, without choice or discrimination. On the other hand, whenever we concede that something may lawfully be done this way, many will give themselves loose reins, thinking that a liberty to exercise usury, without control or moderation, has been granted them. [224]

As a result, he speaks strongly in condemnation of usury – but then goes on to make his qualifications. Here he particularly emphasizes his conviction that the usury prohibition in the Torah was for the protection of the poor rather than of universal application, and that usury is to be condemned where it does harm rather than on all occasions. He concludes, "In short, provided we had engraven on our hearts the rule of equity, which Christ prescribes in Matthew 7.12 "Therefore, all things whatsoever ye would that men should do to you, do ye even so to them"), it would not be necessary to enter into lengthened disputes concerning usury". [225]

We need also to refer to his Sermon on Exodus 22.25, where Calvin insists that the requirement to lend to the poor without interest was simply to emphasize that "mutual and brotherly affection should exist amongst the Israelites", rather than to

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[223] *Corpus Reformatorum*, Vol 38. Part 1. Translation by Mary Beaty and Benjamin W. Farley , in *John Calvin's Ecclesiastical Advice*. T&T Clark. Edinburgh. 1991. p142.

[224] Calvin : *Commentary on the Psalms* Vol 1 – in Christian Classics Ethereal Library, Grand Rapids, Michigan. Translation by James Anderson. Published on-line at www.cccl.org.

[225] *Commentary on Psalms*, Vol 1.

establish a commercial law. By contrast, he says, the “political law” (illustrated by the statement in Deuteronomy 23.20 that interest may be charged to foreigners) is to be understood against the rationale that “otherwise a just reciprocity would not have been preserved, without which one party must needs be injured….In order that equality be preserved, (God) accords the same liberty to his people which the Gentiles would assume for themselves”. [226] Once again, he concludes that for Christians all these issues can be settled simply by reference to the “golden rule” of Matthew 7.12.

Calvin’s longest treatment of the subject is in his Sermon on Deuteronomy 23. 18-20, preached on Tuesday, 24th. January 1556. With reference to the Deuteronomic exception in relation to the Gentiles, Calvin merely states that “God maketh not the thing lawful, but he leaveth it unpunished”. [227] His great emphasis is that, whoever we are dealing with, we must not break the seventh commandment (“Thou shalt not steal”). For “under this word we are forbidden to exercise any wicked practice, whereby our neighbours may be grieved; we are forbidden to make our gain by the loss of another”. [228] This does not preclude all claims to interest in a commercial transaction – provided that such claims are just and equitable. Nevertheless, Calvin holds out for Christians a higher standard than that which may be enshrined in the law : “May I say that it is always lawful to take (five per cent)? No…It is not for us to stand altogether on the words (of the law), but we must rather have an eye unto the thing…that before God we be not guilty of any extortion”. [229]

In words like this, Calvin succeeded (according to his own interpretation) in condemning what he regarded as usury (causing harm to the needy) while at the same time making room for equitable commercial transactions. The usury prohibition he makes (a) applicable to loans to the poor, rather than to the rich (b) applicable to charitable help, rather than to commercial investment (c) a matter of ethics for God’s

[226] John Calvin : Sermon on Exodus 22.25 , in *Harmony of the Law*, Vol 3 – in Christian Classics Ethereal Library. Translation by Charles William Bingham.
[227] John Calvin : Sermon on Deuteronomy 23. 18-20 Translation by Arthur Golding (1583). Reprinted by Banner of Truth Trust. Edinburgh. 1987. p821.
[228] Sermon on Deuteronomy 23. 18-20. p821
[229] Sermon on Deuteronomy 23. 18-20. p824.

people, rather than a basis for political law. Such carefully balanced teaching by Calvin may be felt to have much to commend it. In fact, it would not be going too far to say that it is the foundation on which most Christian teaching since that time (outside the Roman Catholic Church) has been based. So, for instance, in a report commissioned by the Church Investors Group (of the Church of England) written in 2008, the writers say "Calvin and others correctly discerned that the main principle behind the Old Testament prohibitions was protection of the poor, a zealous concern that the latter should not be exploited in their vulnerable condition. But they no longer felt that this necessitated a blanket ban on all interest. Effectively, they were exhorting people to live by the spirit of the law rather than the letter of it". [230] Calvin's teaching differs greatly, of course, from Roman Catholic teaching (which has largely continued the attempt to follow in the tradition of Aquinas and Natural Law) by his firm rejection of all such casuistry, and by his attempt to apply directly the teaching of the Scriptures. On the other hand, there are many criticisms that can be made of it – not least, that Calvin's treatment of the scriptures is highly selective.

In the first instance, we take his suggestion that the usury proscription in the Torah was only intended to protect the poor. Leviticus 25. 35-36 and Exodus 22. 25 are certainly addressed to the particular situation of the poor man who runs into difficulties, and there can be no doubt (as shown earlier) that protection of the poor was a major factor in the determination of Jewish law. In Deuteronomy 23.19, however, the prohibition is not restricted to the poor – nor in many later Old Testament references. (And it was not understood in this way by the Fathers of the Church.) In fact, it needs greater justification than Calvin gives to say that Deuteronomy 23.19 refers to charitable help, while the next verse is the basis of a commercial law. As is pointed out by Paul Mills, "If the original author had wished to allow commercial trading for productive purposes, then this distinction could have been used rather than that of brother/foreigner". [231] What is most surprising, perhaps, is Calvin's apparent readiness to disregard an Old Testament Law (except for the seventh commandment !) in favour of the "golden rule", when Jesus himself said that

[230] Richard Higginson, Michael Parsons and David Clough : *Usury, Investment and the Sub-Prime Sector*. Church Investors Group. Church House. London. 2008.
[231] Mills p30.

"not the smallest letter, not the least stroke of a pen, will by any means disappear from the Law until everything is accomplished" (Matthew 5.18).

Because of its formative influence on future Protestant thinking, Calvin's teaching about usury is still hotly debated today. On one side, S.C. Mooney argues, "The modern church owes a great debt to Calvin for his contribution to the bedrock of sound biblical interpretation……However, in matters of economics Calvin failed to distinguish himself". [232] Like other contemporary writers (to whom I shall turn later), Mooney sees the widespread damage that has been done over the ages through the institution of interest, and regards the contribution of Calvin as the turning point. This is, indeed, the assessment of R.H. Tawney, who regards it as a "watershed" in Christian thinking. "The significant feature in his discussion of the subject is that he assumes credit to be a normal and inevitable incident in the life of society…That acceptance of the realities of commercial practice as a starting-point was of momentous importance ; it meant that Calvinism and its offshoots took their stand on the side of the activities which were to be most characteristic of the future, and insisted that it was not by renouncing them, but by untiring concentration on the task of using for the glory of God the opportunities which they offered, that the Christian life could and must be lived". [233]

On the other hand (as I have already said) there is a general assumption amongst Protestants that Calvin was correct in the way he dealt with the issue. An interesting example of this occurs in an article by Andrew Goddard where he uses Calvin's treatment of the usury issue as an example of how it is possible to deal (from a Reformed viewpoint) with issues where a strong traditional view is challenged by a new cultural situation. [234]

It cannot be said that Calvin encouraged laxity in this field. On the contrary, as we have seen, his efforts to establish a Christian commonwealth in Geneva were an

[232] Mooney, p162.

[233] R.H. Tawney : *Religion and the Rise of Capitalism*. Penguin Books. London. 1938. pp116-117

[234] Andrew Goddard : *Semper Reformanda in a Changing World : Calvin, Usury and Evangelical Moral Theology,* in ed. Sung Wook : *Alister McGrath and Evangelical Theology : A Dynamic Engagement.* Paternoster Press. Carlisle. 2000. pp235-263.

attempt to bring the whole of life under Christian principles, and this included the economic sphere. Those who offended in this sphere, as much as in any other, were brought before the Consistory (the ecclesiastical court) and judged with the strictness that was the feature of the court. The magistrates/secular rulers were by no means as strict, and did not always respond positively to the ministers' preaching. What was established, however, in Geneva was an approach to economic affairs by which it was possible for a sincere Christian to be involved in business affairs with a clear conscience. Alister McGrath says, "If any religious movement of the sixteenth century was world-affirming, it was Calvinism….. Throughout his writings we find a determination to engage with the objective social existence of human beings…Calvin addresses real and specific human situations – social, political and economic – with all the risks that this precision involves". [235] But, as McGrath goes on to say, "the strongly affirmative attitude which undergirds the Calvinist outlook on life is perennially vulnerable….. for latent within Calvinism is a purely profane approach to life, in that the failure to maintain a proper dialectic between God and the world leads to the collapse of the divine into the secular". [236]

One thing this reveals all too clearly is a failure by Calvin to appreciate sufficiently the dangers posed by the use of money. He was certainly aware of the dangers, as is witnessed by his attempts to control the incidence of usury. On the other hand, it is significant that he was able to distinguish two types of usury – one which he considered to be harmful, and one which was not. So he talked about "biting" usury (which caused harm to the poor) and legitimate usury (which, provided it didn't harm anyone, could be used for the benefit of both individuals and society). What he failed to see, however, was that interest, if it became widespread in society, could create conditions in which harm could be done to all classes of people – not least, the poor that he was so keen to protect. In his anxiety to be positive towards the forces which were transforming society, and to reject the quibbling arguments of the Catholic Church (and the basis on which they were built), he was persuaded (or deceived ?) to turn a blind eye to the possibility that there might be other ways of ordering an

[235] Alister McGrath : *A Life of John Calvin : A Study in the Shaping of Western Culture.* Blackwell. Oxford. 1990. pp219-220.

[236] McGrath, p221.

economy – and, at the same time, to ignore the plain meaning of the scriptural teaching which he claimed so vociferously to be upholding.

It certainly must have been difficult to see how the institution of interest, now so well established, could be completely obliterated. It can even be argued that, whatever Calvin had said, the institution of interest would have continued to flourish. From the point of view of Christian theology, however, one can't help feeling that Calvin missed a priceless opportunity to explore other possible economic systems, based on the biblical teaching which meant so much to him, and which was the foundation of the totally new theological system advocated in Protestantism. From this point on, it could be said, the die had been cast. In the words of Benjamin Nelson, "Calvin on Deuteronomy became a Gospel of the modern era. Everyone from the sixteenth to the nineteenth century who advocated a more liberal usury law turned to Calvin for support. Even those who would not or could not mention his name were compelled to speak his words". [237]

Since the Reformation

It would be overly simplistic to suggest that, since the Reformation, the Roman Catholic Church has continued in the tradition of Aquinas, and the Protestant churches in the tradition of Calvin. Nevertheless, if we follow through the question of usury, this would be a useful summary. In England, for instance, while some post-Reformation writers (particularly amongst the Puritans) continued to condemn usury, the concern of government was rather the setting of legal maximum rates of interest. In 1545 Henry VIII legalized interest up to 10%. This was repealed in 1552, but re-instated in 1571. In 1668 a bill was introduced in Parliament to reduce the rate from 6% to 4%, and a prominent part in the debate was taken by Locke, who (as we have already seen) felt there was a natural rate of interest determined by demand for and supply of money, and that this should be allowed to predominate. [238] What is significant by now, however, is that the question is being discussed entirely on pragmatic grounds.

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[237] Benjamin Nelson : *The Idea of Usury*. University of Chicago Press. 1969. p74.
[238] John Locke : *Some Considerations*. p216.

1854 saw the end of any attempt to control interest rates by legislation. In 1870 responsibility for interest policy was passed to the Bank of England. When the Bank was nationalized in 1946, this responsibility returned to the government, but was returned to the Bank in 1997 on the accession of the New Labour government.

Amongst Protestant writers there has been little concern about interest. Adam Smith in *The Wealth of Nations* simply accepts interest as a natural part of the system. Recognizing that in some countries it has been prohibited by law, he makes no attempt to analyze why this might be the case, but simply expresses his opinion that the legal rate should always be above the market rate, but only a little above it – in order to restrain speculators and reward those who are responsible. [239]

The Roman Catholic Church continued to maintain its opposition to usury, ultimately basing its policy on the encyclical *Vix Pervenit* published by Benedict XIV in 1745, which followed the scholastic denial of usury in general, whilst allowing extrinsic titles to interest in certain cases. Unfortunately, the Pope didn't list these titles, and recommended that, in cases of dispute, reference should be made to "a number of eminent writers" and those views should be accepted "which they understand to be confirmed by knowledge and authority". [240] Through the 19th. Century the Vatican faced a number of questions on the subject, and gave case-by-case replies [241], which followed the general line that lending at a moderate rate of interest was permissible, provided that creditors and debtors were prepared to obey any decree the Holy See might issue in the future. [242] At the same time, several writers were arguing for specific relaxations of the prohibition. William Cardinal de la Luzerne, for instance, argued that the prohibition should not apply in any way to business loans [243], and Dr. F.S. von Funk argued that, in some circumstances, money can be fruitful. [244] But the revival of Thomism towards the end of the century served to keep the church's basic

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[239] Adam Smith : *Wealth of Nations*. Book 2, Chap 4. p456.
[240] Benedict XIV : *Vix Pervenit* (1745), para 8.
[241] Noonan, pp378-382.
[242] Lewis Watt SJ, *The Church's Ban on Usury and the Post-Reformation Attitudes of Catholic Theologians*, in ed. M. Reckitt : *The Christian Tradition Regarding Interest and Investment*. The Christian Social Council. London. 1930. p35.
[243] Noonan, pp382-384.
[244] Lewis Watt SJ : *Usury in Catholic Theology*. Catholic Social Guild. Oxford. 1945. pp36-37.

opposition to usury alive – so that, in his famous encyclical *Rerum Novarum*, Pope Leo XIII referred to the misery endured by working people as "increased by rapacious usury, which, although more than once condemned by the church, is nevertheless, under a different form but with the same guilt, still practiced by avaricious and grasping men". [245] Unfortunately, Leo did not return to this subject. He was clearly not referring to all taking of interest, but the strength of his feeling about interest is unmistakeable.

The question of usury was formally settled in 1917 with the issue of the New Code of Canon Law, with the following comprehensive statement : –

> If a fungible thing is given someone, and later something of the same kind and amount is to be returned, no profit can be taken on the ground of this contract; but in lending a fungible thing it is not itself illicit to contract for payment of the profit allocated by law, unless it is clear that this is excessive, or even for a higher profit, if a just and adequate title be present. [246]

This is couched in very general terms, and has been interpreted in different ways by different writers. What it seems to do, however, is to give freedom of conscience when following the civil law, while, at the same time, maintaining a Catholic moral standard which may often be in conflict with popular opinion.

Such has been the strategy followed by the Catholic Church ever since, with virtually no condemnation of interest as such. So, for instance, Bernard Dempsey, in his attempt to work out what an economy should be like when based on Catholic principles, was accepting of the various exceptions made by late scholastic writers to the basic prohibition of usury. Where Dempsey is really suspicious, however, like Aquinas (and Aristotle), is where money is created "out of nothing". Aquinas, as we have seen, was strong in his opposition to this kind of lending, and allowed relatively few exceptions on the grounds of " lucrum cessans" or "damnum emergens".

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[245] Pope Leo XIII : *Rerum Novarum* (1889), para 2. English translation in eds. David O'Brien and Thomas A. Shannon : *Catholic Social Thought (The Documentary Heritage).* Orbis Books. Maryknoll, New York. 2005. p15.

[246] *Codex Iuris Canonici* . English translation. Collins, London. 1983. Para 1735.

Dempsey says, “We would expect St. Thomas readily to admit (if he had lived later) the correlative of emergent loss, cessant gain (lucrum cessans), as did other writers of his own time and the decades immediately following”. He says, “The point, however, is an historical rather than an analytical one”. [247] He reckons that, in the situation of Thomas’ day, where this creation of money by banks was only beginning to be practised , it was not a major problem. By the time of the later scholastics, however, it had become a major problem, and Dempsey clearly accepts their treatment as a legitimate development of Aquinas’ thought - and thus more relevant to the contemporary situation. At the same time, however, Dempsey would clearly like to see a situation in which new money was not lent at interest. Though he rarely made specific proposals which would fundamentally change the actual system, he did once make a proposal for a 100% reserve plan which would involve a fixed money supply, or a supply altered only in accord with objective and calculable criteria. He argued for it as follows :-

> A system of 100% reserve money, or even a system of commercial banks for short-term credit with 100% reserve with a system of equity banks for longer investment (provided the equity banks were mutual and the benefits of created credit would accrue pro-rata to all savers), would eliminate the obvious inequities and most of the cyclical fluctuations from the present “capitalistic” system. Either, maintained for long enough, would correct the most undesirable features of present income distribution. The fruits of saving accruing to the actual savers would diffuse the ownership of investment goods and completely obscure the “class” distinctions by making interest an important item of income for large numbers of people. [248]

Whether he thought such a proposal had any chance of being implemented, we do not know. What is clear is that he never lost his suspicion concerning money created out of nothing, and its lending out at interest.

In 1999 Pope John Paul II sought to re-assert the traditional Catholic opposition to usury in an address to members of the National Council of Anti-Usury Foundations and their regional delegations on April 14th. 1999, when he said, “I know you are

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[247] Bernard Dempsey SJ: *The Functional Economy:The Bases of Economic Organization*. Prentice-Hall Inc. Eaglewood Cliffs, New Jersey. 1958. p410.

[248] Dempsey, p161.

determined and united in fighting this serious social evil. Continue to combat usury, giving hope to individuals and families who are its victims”. [249] In 2009 Pope Benedict XVI, in his encyclical *Caritas In Veritate*, has one passage where he says that “the more vulnerable sectors of the population….should be protected from the risk of usury” [250], but the argument moves quickly on to other matters, and it is clear that the opposition is to excessive interest rather than interest in general.

The Church of England

In the Church of England, the first stirrings of concern about interest are to be found in a small booklet entitled *The Return of Christendom* published in 1922 by a group of writers who sought social recovery in the principles of the pre-Reformation church. The prologue was written by the venerable Bishop Gore, who believed it unrealistic in modern conditions to press for the suppression of usury. This did not prevent speculation, however, on the part of others. In an article on *The Moralization of Property*, Maurice Reckitt said :

> It was the development of finance which partly bewildered and partly defeated the medieval thinkers in their attempts to preserve a doctrine of social righteousness in a rapidly-expanding world order. Money had so long been regarded as fundamentally a medium of exchange (as it ought to be), that it was not for a long time perceived that it could also be employed as “capital”….The most important justification of interest was in fact the practical one which lay in the increasing necessity for credit…Before this whole problem fell not only medieval economic theory but the actual social achievement of that noble approximation to the Christendom ideal which the Middle Ages in some directions really attempted. [251]

In the same tradition was the redoubtable R.H. Tawney, whose book *Religion and the Rise of Capitalism* (1922) told (amongst other things) the story of the collapse of the church’s attempt to maintain the medieval condemnation of usury. In his *The*

[249] Pope John Paul II : Address to members of the National Council of Ant-Usury Foundations. 14th. April 1999.

[250] Pope Benedict XVI : *Caritas In Veritate* (2009), para 65.

[251] Maurice Reckitt : *The Moralization of Property*, in A Group of Churchmen : *The Return of Christendom*. George Allen and Unwin. London. 1922. pp173-174.

Acquisitive Society (1921) he suggested [252] that interest payments could be reduced. Generally speaking however, he rejected any idea that there was a simple solution to the problems of capitalism. It was “an arduous business” which takes “years of dull drudgery”, the formulation, rejection and re-formulation of provisional solutions which can be applied to “the rough-and-tumble of an imperfect world”. [253]

Further dissatisfaction concerning the results of widespread credit and interest is revealed in two books produced for the Christian Social Council (which took up the work of the COPEC Continuation Committee in 1929). In the first, published in 1930, written by Reckitt and four other authors, under the title *The Christian Tradition Regarding Interest and Investment*, Reckitt himself tackled the contemporary situation, accepting that it might be necessary to accept to some extent the payment of interest, but pointing to the many problems that have arisen as a result of interest. He suggested (in the true Christendom tradition) that “the root problem with which the Christian doctors were struggling throughout the Medieval Age was how to formulate a teaching which would serve as a basis for the restraint of avarice and the economic tyranny which tended to result from it” [254], and argued that the church still had a similar task. What is particularly interesting here, however, is the “back tracking” from the position taken by Reckitt in 1922. Here he accepts that unearned income may not in itself be either intrinsically unnatural or unjust. “In the first place, it would seem to correspond to an undoubted economic fact – the “unearned increment of association” with which nature rewards human co-operation in so many fields of social activity”. Secondly, he admits that “to some there seems no reason why a price should not be paid for the hire of capital for productive purposes, as it has to be for other requisites for the same end – seeds for sowing, or raw material and machinery for manufacture”.[255]

By now, however, the torch was being taken up by William Temple, who, towards the end of his life, came to appreciate that there would be no lasting solutions to society’s

[252] R. H. Tawney : *The Acquisitive Society.* Wheatsheaf Books Ltd. London. 1982. p131.
[253] Quoted in Alan Wilkinson : *Christian Socialism: Scott Holland to Tony Blair*. SCM Press. London. 1988. p101.
[254] *The Christian Tradition Regarding Interest and Investment*, p48.
[255] *The Christian Tradition Regarding Interest and Investment*, pp48-49.

problems without a reform of the financial system. Temple's final book, *The Church Looks Forward* (1944), contains a number of addresses given in his final years, including an address to the Bank Officers' Guild in 1943, in which he took the opportunity to air a number of his ideas on economic affairs. Identifying the two pillars of the Christian economic system in the Middle Ages as the prohibition of usury and the just price, he deduced from the prohibition of usury that "money is in its own nature a medium of exchange, and, therefore, if you use it as a commodity in the sense of trying to profit yourself by variations in its value over against goods, you are destroying it for its proper social purpose; and there are some kinds of activity in this direction which I think public opinion is tending to think ought undoubtedly to be prohibited, as for example, speculation in foreign currencies". [256] In response to a question raised on the question of excessive interest/usury, he then responded that the church had always had great difficulty in deciding exactly where the line should be drawn. For himself, he thought "the line should probably be drawn between loans for objects that involve some risk, and loans where the principal is really secure and consequently there is no proper partnership in the enterprise; and in the latter case it seems to me that the condemnation of usury requires a limitation upon the return that may be earned. This is quite irrespective of the party making the loan – whether an individual or a bank". [257]

Comment of this kind came to an end with the death of Temple, and only revived in the 1990's, as theologians began to come to terms with the effects of de-regulation in the world economy. In his radical re-assessment of the global economy under the title *Capital and the Kingdom*, Timothy Gorringe finally raised again the question of usury, saying :-

> The charging of interest, it has been shown, involves a significant transfer of money to the richest groups of a country's population. This systematic transfer of money from those who need it most to those who need it least is one of the factors pushing the world towards catastrophe. It fuels the urge of the very rich, including the huge industrial and financial corporations, to compete with one another purely for the sake of

[256] William Temple : *The Church Looks Forward*. Macmillan. London. 1944. p148.
[257] Temple, pp59-60.

> economic wealth and power. It lulls the moderately well off into a complacent sense that all is well with economic life. By artificially increasing the financial pressures on the less well-off and the poor, it deepens their economic dependency. In each of these ways it stimulates an increasingly high level of economic activity and the ecological damage which results. Thus interest is opposed for the very reason it was opposed by the medieval church – because it harms life. [258]

In a later treatment (*Can Bankers be Saved ?(*2001)) he clarified his thinking by saying he is not necessarily calling for the abolition of usury (unless that means excessive interest). Instead he says "I will agree with Richard Douthwaite that one could perfectly well recognize a fair or, to use scholastic terminology, a just interest rate which would both reward lenders for the risk they take, compensate for loss of purchasing power, and share the benefit between borrower and lender". [259]

In 1997 the theme had been taken up by Bishop Peter Selby in "Grace and Mortgage", dedicated (as already indicated) to seeking an economy based on generosity rather than the culture of credit and debt :-

> The abolition of usury….takes us well beyond single acts of remission….. well beyond minor adjustments, to the way money works in an essentially capitalist framework. It takes us well beyond those proposals for individual discipleship that involves detachment from money, beyond even a more serious concern with stewardship…..these may well be required of us in the pursuit of greater justice, but if we are not engaged in the fundamental task of redeeming money altogether, these acts of personal discipline and responsibility do no more than collude with the way of death that we have seen the economy of credit and debt become. [260]

Apart from this, Selby declines to move into the area of detailed recommendations for reform of the monetary system. His great achievement is to highlight the principle of grace as the principal Christian theme to be applied. This takes the whole debate onto the highest possible level – the nature of God – and subverts absolutely (for a theist) any idea that theology and economics are independent disciplines.

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[258] T.J. Gorringe : *Capital and the Kingdom*. Orbis Books. Maryknoll, New York. 1994. p167.
[259] T.J. Gorringe : *Can Bankers Be Saved ?* Studies in Christian Ethics. Vol 144, No 1. p29.
[260] Selby, pp118-119.

The Problem With Interest

The opinion of most people today, and certainly those most involved in the global financial system, would be that, just as money itself is a basically neutral commodity which has contributed greatly to the development of the world, so interest is an institution that has enabled the sharing of money on a scale that would have been unlikely without it, and has made its own considerable contribution towards the development of the world's resources. In fact, this would probably be the opinion of most Christians, lay people or theologians. In the light of this, one needs to ask why it is that, over the years, Christian writers have expressed so many doubts about it, so that it has taken up far more of their ink than any other aspect of money.

In the first doubts expressed about interest (in the Jewish Torah) - taken on (as I have shown) through the prophets, through Jesus, through the New Testament writers and the Early Church Fathers - the chief concern seems to with those who are unable to pay interest because of their reduced circumstances. This was the same concern as that with the compulsory repayment of debt. Those unable to repay a debt or the interest on a debt were in real danger of having insufficient money or other resources to maintain a reasonable (or even subsistence) standard of living, of losing the land off which they lived, and even of becoming debt-slaves. The conviction behind the Torah, in contrast, was that each person in a community should have sufficient to maintain a reasonable standard of living.

At the same time, it is possible to hold that this unhappiness with interest was not only related to interest owed by poor people but to all interest on loans. Here a major concern would obviously be with the effects of interest on poor people, but it would go much further to the effects of interest on society as a whole. From our perspective, it is unfortunate that these concerns are not spelt out for us either in the Scriptures or in the Fathers. Perhaps it was all too obvious – how money and other resources became concentrated in the hands of a few, how there was a temptation for those with money to seek even more, rather than use it for productive activity. Perhaps also there were echoes of the suspicions felt outside the Jewish and Christian faiths – illustrated by the restriction of interest in some ancient law codes, by the brief prohibition of interest in the Roman Empire in 342 B.C. , and by the writings of Aristotle. Perhaps there was even suspicion of how interest can result in rising prices, or of the particular dangers of compound interest – how the amount of debt to be repaid can grow and grow while the resources to repay it stand still or go backwards.

The writings of Aristotle are significant, both for what they reveal about non-Biblical thinking, and because of the way they were taken by the Church in the Middle Ages. His ideas, of course, are not based on the Biblical material, but on what he would call "natural law". I have already quoted his remarks about interest : " Very much disliked also is the practice of charging interest; and the dislike is fully justified, for interest is a yield arising out of money itself, not a product of that for which money was provided. Money was intended to be a means of exchange, interest represents an increase in the money itself…… Hence of all ways of getting wealth that is the most contrary to nature". [261] Aristotle's chief objection to interest is that money is intended by nature to be a means of exchange – and, therefore, any other use is an unnatural use of money. As I have suggested, behind this assertion there were convictions about money as a fungible that could not be consumed twice, and that money could not breed more money (because it was sterile).

As already indicated, these arguments do not cut very much ice with us today. It is worth considering, however, what it was that led Aristotle (and later Aquinas and many of the scholastics) to consider such arguments. And the answer we might discern from Aristotle's arguments is that he was very suspicious of any use of money which merely made some people rich without any compensating benefit to the life of the community as a whole. As already quoted, "Money-making then...is.....of two kinds : one which is necessary and acceptable, which we may call administrative ; the other commercial, which depends on exchange, is justly regarded with disapproval, since it arises not from nature but from men's dealings with each other". [262]

[261] Aristotle : *Politics*. English translation by T. A. Sinclair. Penguin Books. London. 1962. Book 1, Chap 9. p46.

[262] Aristotle, p46.

The question remains of whether we need to apply the interest prohibition today as strictly as it was applied to Israelites dealing with each other ? Would that be plausible or realistic ?

It can be argued (as I shall shortly do) that an interest-free economy would be a much more equitable economy than the capitalist economy of today. It would also bring the money economy much closer to the real economy of production and selling. On the other hand, based on the fact that Israelites *were* allowed to lend and borrow at interest in dealings with non-Israelites (at least, those living outside Israel), it could be argued that a small amount of interest could be legitimate on commercial transactions in order to make such transactions worthwhile. What would be required in our day would be some world-wide regulation on the matter. In this case, one would be treating the Old Testament usury prohibition, as suggested by Richard Higginson, as a "paradigm" rather than a "model". A paradigm, he suggests, is an *example* of a principle in action. "We must take the principle to heart and seek to apply it, but the form in which we do that in our modern society will probably differ from the way in which it is articulated in the Bible". [263] The same kind of argument could be made in regard to the debt-cancellation provision in the Torah – that this enshrines a fundamental principle about the dangers involved in long-term debt, which we need to take seriously, even if the way we apply it today might differ from that enshrined in the Torah. The important thing from our point of view is that these dangers in the use of money can, in fact, be seen in the current world economy.

Generally speaking, writers on economics have been singularly unwilling to grapple with the detrimental consequences of interest. Paul Mills, however, in his paper, *The Ban on Interest : Dead Letter or Radical Solution*? has succinctly listed the following :-

> (1) The unjust and destabilizing allocation of returns between the users and suppliers of finance.

[263] Richard Higginson : *Called to Account*. Eagle. Guildford. 1993. p113.

(2) The misallocation of finance to the safest borrowers rather than to the most productive.

(3) A propensity to finance speculation in assets and property.

(4) An inherently unstable banking system.

(5) A short-termist investment strategy.

(6) A concentration of wealth into fewer and fewer hands.

(7) A rapid flow of financial capital across regions and countries. [264]

Some would add an eighth consequence– that interest (especially compound interest) is a major cause of inflation, because interest re-payments enable banks to make more loans, putting more money into the economy, and that this leads to rising prices. [265] James Robertson points out that the cost of interest repayments forms a substantial part of the cost of all goods and services - which, unless counteracted by reductions in other costs, will inevitably produce higher prices. [266] Mills points to the extra effects of the fact that most interest payments are at compound interest. He is not, in fact, convinced that interest leads automatically to inflation – there have been long periods of more-or-less steady prices (presumably because of countervailing influences). He maintains, nevertheless, that

> A long-term anchor for the price level is important for both moral and economic reasons. Modern economies seem endemically prone to rising price levels and inflation due to their reliance on debt contracts to finance consumption and investment. This is an immoral aspect of modern economic life. Unless perfectly anticipated, inflation redistributes real wealth between creditors and debtors, savers and borrowers, and those on fixed and inflation-linked incomes. Inflation, especially when unexpected, is an arbitrary transfer of purchasing power from one group (who cannot protect themselves) to another. It also erodes the incentives for long-term saving, investment and risk-taking (by making real returns more unpredictable), and confuses relative price signals within an economy as people confuse real price increases for the effects of general inflation. [267]

[264] Paul Mills : *The Ban on Interest : Dead Letter or Radical Solution ?* Jubilee Centre. Cambridge. 1993. pp4-7.

[265] Margrit Kennedy *: Interest and Inflation-Free Money*. Permakultur Publikationen. Steyerberg. 1990

[266] James Robertson : *Future Wealth : A New Economics for the 21st. Century*. Cassel. London. 1990. p124.

[267] Paul Mills : *The Economy*, in eds Michael Schluter and John Ashcroft : *Jubilee Manifesto*. Inter Varsity Press. Leicester. 2005. p225.

I have already drawn attention to the fact that, unless there is increasing productivity (perhaps through the introduction of improved technology or reductions in the labour force) or an expanding market, an economy built on lending at interest necessarily has to keep on growing in order to produce profits and interest. The danger of this is the development of a spiral of debt which can get out of hand. From the same point of view, if growth starts to fall, it can lead to a downwards spiral. As there is usually a time lag between production and sale, firms have to take on further loans to cover the income short-fall and the interest payments on previous loans. To keep the economy growing (unless there are productivity increases) producers have to produce more and more items for sale, which are often of poor quality with built-in obsolescence, have to be sold with heavy advertising, or are luxury items for which there is no urgent need. The ultimate end of such activity is the using up of the earth's resources to little useful effect.

Mills goes further in *Interest in Interest*, where he suggests positive effects of an interest-free system. He suggests, first of all, that in the medieval period the ban on lending at interest encouraged the spirit of enterprise and risk-taking investment, moving capital out of speculation into commerce. Since banks would not be allowed to lend at interest, they would have, instead, to invest and set up partnership arrangements with companies, one result of which would be to avoid the risky lending arrangements which have been so common recently. The profits of such arrangements would be shared between the banks and their partners – as also the losses – which would have the effect of reducing bankruptcies and encouraging enterprise. As much as anything, however, the chief benefit would be much greater stability in the whole system, banks would be safer because of their avoidance of speculative risk, and business cycles would be less dramatic. In the political realm, it could have the effect of reducing the dominance of the financial sector, and increasing public control. [268]

That this is not the pious thinking of a Christian academic may be illustrated perhaps with a further reference to John Maynard Keynes, who wrote in his *General Theory of Employment, Interest and Money* :-

[268] Mills : *Interest in Interest*. pp36-37.

> Provisions against usury are amongst the most ancient economic practices of which we have record. The destruction of the inducement to invest by an excessive liquidity-preference was the outstanding evil, the prime impediment to the growth of wealth, in the ancient and medieval worlds. And naturally so, since certain of the risks and hazards of economic life diminish the marginal efficiency of capital whilst others serve to increase the preference for liquidity. In a world, therefore, which no one reckoned to be safe, it was almost inevitable that the rate of interest, unless it was curbed by every instrument at the disposal of society, would rise too high to permit of an adequate inducement to invest. I was brought up to believe that the attitude of the Medieval Church to the rate of interest was inherently absurd, and that the subtle discussions aimed at distinguishing the return on money-loans from the return to active investment were merely jesuistical attempts to find a practical escape from a foolish theory. But I now read these discussions as an honest intellectual effort to keep separate what the classical theory has inextricably confused together, namely, the rate of interest and the marginal efficiency of capital. For it now seems clear that the disquisitions of the schoolmen were directed towards the elucidation of a formula which should allow the schedule of the marginal efficiency of capital to be high, whilst using rule and custom to keep down the rate of interest. [269]

Elsewhere Keynes speculated that an economy run at full employment could reduce the rate of return on capital to zero within a generation. [270] This would mean "the euthanasia of the rentier, and, consequently, the euthanasia of the cumulative oppressive power of the capitalist to exploit the scarcity-value of capital" [271] – which he regarded as a welcome prospect. He certainly saw no absolute necessity for the payment of interest on money loans. Paul Mills suggests that "the funeral has been postponed by the internationalization and deregulation of world financial markets, rapid technological innovation and persistent debt-financing by governments" [272], and believes (as we have already seen) that ultimately there are many undesirable features of market economies that can be attributed to the existence of interest. [273]

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[269] John Maynard Keynes : *General Theory of Employment, Interest and Money*. Macmillan and Co. Ltd. London. 1936. pp 351-352.
[270] Keynes, pp220 and 275.
[271] Keynes, p276.
[272] Paul Mills : *Should Interest Exist ? Non-usurious Finance in Economic Thought, Theory and Practice*. Unpublished thesis. University of Cambridge. 1994. p66.
[273] Mills : *Should Interest Exist ?* pp182ff.

Over the years that have been various proposals about the way in which interest could be eliminated. These usually centre on preventing commercial banks from creating money and requiring that central banks issue money free of interest. Margrit Kennedy develops the ideas of Silvio Gessell, who proposed that governments issue money free of interest and that users of money pay a "use fee" to the government if they don't use it. [274] The area in which the prohibition of interest on money loans has actually been tried, of course, is in Islamic finance. Even here there can be differences between banks (and the scholars on whose opinions they depend), rather as the scholastics disagreed in their pronouncements on various financial instruments. Generally speaking, however, there is a strong rejection of the creation of money as debt, and a strong emphasis on commercial partnerships rather than loans. [275] As a result of the financial crisis which began in 2007, there is renewed interest in the subject. In a supplement to *The Times* devoted to Islamic Finance of 27th. November 2008, it was reported that global Islamic banking had been relatively unscathed by the crisis, and that the Financial Services Agency believed that Islamic finance would play an important role in the future of UK financial services.

To reduce or remove the influence of interest would fly in the face of all secular thinking about money since the Middle Ages, and a great majority of Christian thinking. No doubt, it could be very difficult to turn such thinking into legislation. On the other hand, the financial crisis that began in 2007 has been so severe (there was one week-end in September 2008 when the whole financial system seemed on the verge of collapse) that there may emerge a new willingness to consider such radical ideas. It is still possible, in fact, that, even if the measures that have been taken (relying so much on an enormous increase in interest-bearing debt) have removed the immediate danger to the system, these very measures may produce an economy fraught with just as much danger as the pre-2007 situation, and a similar or even worse crisis could

[274] Margrit Kennedy, pp21-24

[275] Mills himself has written on Islamic finance, in Paul S. Mills and John R. Presley : *Islamic Finance : Theory and Practice*. Macmillan Press. Basingstoke. 1999. This is a sympathetic treatment of Islamic practice, giving an assessment of its advantages as a non-interest financial system, while recognizing the difficulties there would be in extending it worldwide. A more recent treatment is that of Tarek El Diwany : *The Problem With Interest*. Kreatoc Limited. London. 2003. – which covers the whole ground, while dealing more extensively with the general problems produced by interest.

arise. It could be said that now is the time for Christian writers to speak out forcefully from the heart of their tradition a word that will challenge the basic orthodoxies on which the present system is founded – not just the greed that bankers and others have demonstrated, but those features of the system which allow money to exercise an unfettered role and, in so doing, to cause as much harm as the good it also produces. And a major feature of this system is lending at interest.

Section Three

EVALUATING MONEY

Having considered some basic uses of money, in lending and borrowing, and discovered the serious problems that an unregulated use of money produces in this area, I turn in the next four chapters to an evaluation of money from four points of view which are generally ignored by those who have a positive or neutral view of it – not least, those who have embraced a neo-liberal philosophy. In each case, I will be demonstrating how money in its very nature creates enormous problems – problems which are highlighted in the tradition of Christian theology.

Chapter Five

MONEY AND JUSTICE

In considering further the negative aspects of money which are highlighted in Christian theology, I turn first to demonstrate how the use of money almost inevitably produces injustice. As before, the claim is not that love of money produces injustice (though it does), so much as money in itself. By a situation of injustice I am understanding one of inequality, where a person's experience bears no relation to either their needs, their deserts or their rights.

From a historical point of view, this problem was already evident in antiquity. In his study of the introduction of the first coined money, Richard Seaforth interprets it as a critical element in the sidelining of the Greek gods and the development of the Greek *polis.* Having pointed out how exchange for money produced an equality between the parties involved (which had not normally been present in the era of gift-exchange), he goes on to say :-

> However, money and the growth of trade introduce a new form of instability. Equality between the parties in respect of the exchange does nothing to prevent the *unlimited* impoverishment or enrichment that had been precluded by the old assymetrical relations of positive reciprocity and redistribution. It was precisely this new form of instability, in which eventually the rich enslave the poor, that Solon was appointed to resolve. [276]

Seaforth then points out how the introduction of money "tends to marginalise reciprocity, and permits an unprecedented appearance of individual autonomy" [277],

[276] Richard Seaford : *Money and the Early Greek Mind*. Cambridge University Press. 2004. p197.
[277] Seaford, p197.

and how “the power of money can increase human independence even from deity”. [278]

In general terms, this points to the conclusion that money *in its very nature* (unless it is controlled by state regulation) leads irresistibly to inequality and injustice. Essentially, money, after it has been created, is held by individuals (or by corporate individuals) rather than by the community as a whole. If all property was shared, there would be no need for it. But as soon as it is an individual possession, it tends to be used for the benefit of the individual, rather than for the community as a whole. This is not to say that money should not be used, but to indicate a serious danger in its use. Over history this is one reason that states have imposed taxes – not just to boost their treasuries, but to redistribute what seems, inevitably, to fall into fewer and fewer hands, and endanger the livelihood of the remainder.

The social problems produced by poverty are well documented. In a celebrated recent book, Richard Wilkinson and Kate Pickett go one step further to show that these problems can actually be produced in rich societies where there is a marked degree of inequality between those at the top of the ladder and those at the bottom. They go even further to suggest that a more equal society is better for everyone in it. [279] It will be the purpose of this chapter to demonstrate how the problem of inequality has been appreciated, and describe some of the methods proposed for combating it, in the tradition of Christian theology.

Justice in the Torah

Wilkinson and Pickett make the point that, in the time-scale of human history and pre-history, it is our present highly unequal societies which are the exception. They suggest that, for over 90% of our existence we have lived, almost exclusively, in highly egalitarian societies. Change began with the development and spread of agriculture, but then societies developed what they call “counter-dominance strategies” to contain

[278] Seaford, p197.
[279] Richard Wilkinson and Kate Pickett : *The Spirit Level – Why Equality is Better for Everyone*. Penguin Books. London. 2010.

it. [280] In our present situation, the writers hope that the numerous social problems inflamed by inequality could be reduced by a renewal of the communitarian spirit which they believe is never far below the surface. [281]

Certainly, when we look at early Jewish life, we see that it was characterized by a strong sense of community, and that the Law of Moses, which came to govern that life, was aimed at the sustenance of all members of the community, and especially of the poor. From this point of view, unlike the situation in some of the surrounding nations, land was not vested in a king or emperor. Rather, all the land belonged to God, and was to be treated by land owners as a loan from Him (Joshua 22.19). [282] The security of the Israelite family was in the land that it possessed – or, more accurately, the land that was allocated to it by the community (Numbers 27.1-11 and 26). Its boundaries were defined by landmarks. To remove such landmarks was tantamount to contesting a person's claim to their land, and was taken very seriously (Deuteronomy 19.14, 27.17). When debt or other reasons for poverty forced a family to sell some or all of its land, the law of redemption (Leviticus 25.25) laid a moral responsibility on more prosperous relations to pre-empt the sale or buy back the land in order to keep it in the family (illustrated probably in what was happening in Jeremiah 32.6-7 and Ruth 4. 2-4). Then the Jubilee law of Leviticus 25. 8-13 prescribed that in the fiftieth year there should be a restoration of land to its original owners. This went along with the release of any Israelites who had been taken into slavery – probably because of unpaid debts.

If anyone became poor for any reason (i.e. they were not able to maintain themselves with the necessities of life), others were required to help them in any way possible (Leviticus 25.35, Deuteronomy 15.7-11) – and there was a whole string of ordinances to make life easier for the poor. For instance, in Leviticus 19. 9-13 we read, "When you reap the harvest of your land, do not reap to the very edges of your field or gather the gleanings of your harvest. Do not go over your vineyard a second time or pick up the grapes that have fallen Leave them for the poor and the alien…Do not hold back the wages of a hired hand overnight" (see also Deuteronomy 24. 10-22). Leviticus 12.8

[280] Wilkinson and Pickett, pp207-208.
[281] Wilkinson and Pickett, pp267-268.
[282] Roland de Vaux : *Ancient Israel : Its Life and Institutions*. Dartman, Longman and Todd. London. 1962. pp164-165.

provides an easier offering for a poor woman seeking purification after childbirth. Deuteronomy 14. 28-29 and 26.12 prescribe that, every third year, when the tithes were paid, the hungry were to be given a share of the tithe. In the seventh year, when no labour was permitted on the land, whatever grew was to be shared by everyone. “Then the poor among your people may get food from it” (Exodus. 22. 10-11). In Deuteronomy 23. 23-26 there is provision for anyone (rich or poor) to be able to satisfy their hunger when passing through a field or vineyard. In Deuteronomy 24.6 it was forbidden to take as a pledge a mill or a millstone, which was a person’s means of livelihood; in vv.12-13 to keep a poor man’s pledge overnight, especially if it was his cloak; and in v15 the wages of a poor labourer were to be paid before sunset. In summary, it is boldly stated in Deuteronomy 15. 4-6 that, if the people fully obey the ordinances of the law “there should be no poor among you”. Recognising, however, that “there will always be poor people in the land”, verses 7-11 encourage Israelites to lend generously to one another without expecting anything in return. Then after seven years there was the general cancellation of debts.

Despite all this emphasis on helping the poor, it is important to state that it does not imply a negative attitude to riches in themselves. In fact, throughout the Torah, God repeatedly promised his people that obedience would bring abundant prosperity in a land flowing with milk and honey (e.g. Deuteronomy 6. 1-3). Deuteronomy 28. 1-14 lists a whole series of blessings that will follow obedience. “You will lend to many nations, but will borrow from none” (v12). Wealth and riches were not to be despised. What was required was that they be enjoyed with *righteousness* (or justice) (Hebrew – *tsedekah*).

Tsedekah was regarded as one of the great characteristics of Yahweh (Isaiah 5.16). Sometimes this has been interpreted in overly legalistic terms. Since the time of von Rad, however, it has been recognized that righteousness needs to be understood primarily in terms of relationship. “Every relationship brings with it certain claims upon conduct, and the satisfaction of these claims, which issue from the relationship and in which alone the relationship can persist, is described by our term *tsedekah*”. [283] God’s

[283] Gerhard von Rad : *Old Testament Theology*. Vol 1. Oliver and Boyd. Edinburgh. 1962-5. p371.

righteousness, therefore, was demonstrated in his actions to establish and preserve the relationship of covenant between himself and his people.

It was the same with the righteousness which his people were to show amongst themselves. [284] This was not so much a question of fulfilling legal requirements, as living In the words of Walter Brueggemann, "Israel regards itself as a community of persons bound in membership to each other, so that each person-as-member is to be treated well enough to be sustained as a full member of the community". [285] Altogether, the programme of the Torah was aimed at producing a society in which everybody was able to enjoy the necessities of life (and very much more). The ideal picture was of each man sitting "under his own vine and under his own fig tree" (1 Kings 4.25, Micah 4.4, Zechariah 3.10). The picture was certainly not of some individuals possessing large sums of money whilst others were suffering in poverty. Norman Gottwald summarises by saying "Early Israelite religion was the attempt to create a heterogeneous, classless, decentralized association of tribes, conceived as a brotherhood…….of social, economic and political equals". [286] G.K. Blount says specifically of the Sabbath and Jubilee laws that they were "for all their difficulty, an evolving attempt to deal with a matter of justice in the community at a practical level". [287] Even if there is only sketchy evidence of some of the laws actually being implemented, what we have in the Torah is a remarkable picture of the ideal that Jewish teachers held before their people, and to which they held over a very long period.

In contrast with the present capitalist system, therefore, though there was a general presumption that contracts must be honoured and that debts must be paid, these presuppositions were not absolute, so that, where it was felt that the welfare of the community required that exceptions be made, then the Law made appropriate provisions. Similarly, although there was a general presumption of the sanctity of

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[284] Bruce C. Birch : *Let Justice Roll Down*. Westminster. John Knox Press. Louisville, Kentucky. 1991. pp259-260.

[285] Walter Brueggemann : *Theology of the Old Testament*. Fortress Press. Minneapolis. 1997. p421.

[286] Norman Gottwald : *The Tribes of Judah*. SCM Press. London. 1980. p700.

[287] G. K. Blount : *A Theology of Social Justice and Forgiveness in an Economic Context (Debt).* Unpublished thesis. University of Edinburgh. 1995. p105.

private property (illustrated by the Seventh Commandment, "Thou shalt not steal"), it was still appreciated that everything belonged to God (as in 1 Chronicles 29. 10-13) and that possessions were not for selfish use, but rather for the benefit of all.

Justice in the Prophets

Despite the evidence already considered of periodic cancellations of debt in both Mesopotamia and Egypt, we don't know whether the Seventh or Jubilee years of the Torah were ever actually implemented - though there is evidence that the Seventh year may have been implemented on one or two occasions (Nehemiah 10.31, 1 Maccabees 6.49, Antiquities of Josephus 3.15.3), there was a short-lived return of confiscated land and interest charges in Nehemiah 5.11, and there was a short-lived release of Hebrew slaves under Zedekiah (Jeremiah 34. 8-11).

The evidence of the Book of Judges suggests that this period was by no means a golden era when the Law (as they knew it) was fully observed. What is certain is that the establishment of the monarchy changed everything - as Samuel had predicted (1 Samuel 8. 10-18). Much of the land came into the ownership of the king, and, following the practice of surrounding peoples, was allocated by him to his officials, soldiers and other favourites. One may assume also that this was a period of rapid growth in the money economy. Israel became heavily involved in international trade, with King Solomon owning a large fleet of ships, with which he traded with countries far away to the East (1 Kings 9. 26-28, 10.22). For the ordinary people, however, life became very difficult. Despite any laws that there may have been against giving loans at interest, or of taking fellow Jews into slavery, many found themselves at the mercy of the king and other large landowners. (In the kingdom idealized in Ezekiel 40-48, the king is only allocated a limited portion of the land – 45. 7-9.)

A good example is the case of Naboth's vineyard in 1 Kings 21, where King Ahab set his heart on the vineyard of a poor subject ; his wife persuaded him to make false accusations against Naboth, Ahab had him condemned to death, and then took his land for himself. This was the portion of land allocated to Naboth's family for generations, but the king, on a whim, felt able to take it from him. No wonder the prophet Elijah rebuked the king so strongly. In the case of both Elijah and Elisha (the major prophets of the early part of the Monarchy), while their protests were primarily against the worship of foreign gods, there was also a definite concern about the plight of the poor (as seen especially in 2 Kings 4) and the injustice involved.

Altogether, it is clear that this is a totally new era in the realm of land tenure, which is summarised by James L. Mays as "the shift of the primary social good, land, from the function of support to that of capital; the reorientation of social goals from personal values to economic profit, the subordination of judicial process to the interests of the entrepreneur". [288] John Bright says: "Israel's distinctive social structure had completely lost its character…….The rise of the monarchy, with the attendant organization of life under the crown, had transferred the effective basis of social organization to the state and, together with the burgeoning of commercial activity, had created a privileged class, weakened tribal ties, and destroyed the solidarity characteristic of tribal society." [289] And Walter Bruegemann : "Covenanting that takes brothers and sisters seriously had been replaced by consuming". [290]

As an example of the prophets whose words have come down to us in writing, we may take the prophet Amos, preaching in the 8th. Century in the Northern Kingdom of Israel. The reign of Jeroboam (like that of Solomon) was a time of great prosperity, but Amos saw it as riddled with apostasy and injustice. In some of the strongest language used by a prophet, he was particularly angry at the oppression of the poor by the rich:-

> Hear this, you who trample the needy
> and do away with the poor of the land, saying
> When will the New Moon be over
> that we may sell grain,
> and the Sabbath be ended

[288] James L. Mays : *Justice* : *Perspectives from the Prophetic Tradition*, in David L. Petersen : *Prophecy in Israel*. SPCK. London. 1987. p148.
[289] John Bright : *A History of Israel.* SCM Press. London. 1960. pp241-242
[290] Walter Brueggemann : *The Prophetic Imagination*. Fortress Press. Minneapolis. 2001. p27.

that we may market wheat ? –
skimping the measure,
boosting the price,
and cheating with dishonest scales,
buying the poor with silver
and the needy for a pair of sandals,
selling even the sweepings with the wheat (8.4-6).

Here are some of the specific requirements of the law being clearly repudiated – insisting on the repayment of a debt, rather than showing generosity (Deuteronomy 15.7-11), judging unfairly (Leviticus 19.15), taking bribes (Exodus 23.8), taking fellow-Israelites into slavery (Leviticus 25.39), and using unfair measures in trading (Deuteronomy 25. 13-16). God's response is clear and to the point : "I will not listen to the music of your harps, *but let justice roll on like a river, and righteousness like a never-failing stream"(5. 23-24)*(my italics).

The period of the exile was marked by a serious study of the Law and the rise of a group of "scribes" dedicated to passing it on, and these exercised great influence amongst the people. The renewing of the covenant under Ezra in the Fifth Century is often regarded as a turning point in the history of the people. In the words of John Bright, "Ezra was, in any event, a figure of towering importance…..If Moses was Israel's founder, it was Ezra who reconstituted Israel and gave her faith a form in which it could survive through the centuries". [291] It is clear, however, that carrying out the Law did remain a problem. In the book of Nehemiah (around the time of Ezra's ministry) we can still read the complaints of ordinary people that they are caught between paying tribute to the Persian government and the exactions of their Jewish brothers: "We are mortgaging our fields, our vineyards and our homes to get grain during the famine…Although we are the same flesh and blood as our countrymen and though our sons are as good as theirs, yet we have to subject our sons and daughters to slavery. Some of our daughters have already been enslaved, but we are powerless, because our fields and our vineyards belong to others"(5.3-5). Nehemiah replies, "Give back to them immediately their fields, vineyards, olive groves and houses, and also the usury you are charging them – the hundredth part of the money, grain, new wine and oil" (5.11) - in so doing, giving us the one example we have of the sort of general debt

[291] Bright, p374.

relief envisaged in the Law for the Sabbatical Year. It is likely, however, that this provided only temporary relief. “Realistically”, says Gottwald, “since the wealth of the abusive upper class was not confiscated, the combination of landed and commercial wealth probably worked toward the eventual undermining of the reforms in Judah, as proved to be the case in Athens after Solon’s reforms”. [292]

What the prophets did hold onto, however, was that one day God would send a king who would rule in righteousness and justice:

> The days are coming, declares the Lord,
> when I will raise up to David a righteous Branch,
> a King who will reign wisely
> and do what is just and right in the land.
> In those days Judah will be saved
> And Israel will live in safety.
> This is the name by which he will be called,
> The Lord Our Righteousness (Jeremiah 23.6)

This would be a decisive intervention by God in the affairs of the world. As time went by, and oppressive rule by foreigners became the norm, this hope became widespread in Israel. Bruce Chilton concludes, “It would seem imprudent not to acknowledge that the range of apocalyptic literature, along with the Qumran scrolls, the earliest Targums and other intertestamental works, present a common expectation, variously expressed, that God was to act on behalf of his people in the foreseeable future”. [293] This was centred in the minds of the people on the coming of a Davidic king (or Messiah). [294]

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[292] Gottwald, p433.

[293] Introduction to ed. Bruce Chilton : *The Kingdom of God in the Teaching of Jesus*. SPCK. London. 1984. pp21-22. For particular references, see Michael Lattke : On the Jewish Background of the Synoptic Concept “The Kingdom of God”, in Chilton, pp72-91.

[294] D. S. Russell : *Between the Testaments*. SCM Press. London. 1960. p119-141. Note also the characters of Simeon and Anna in Luke 2, who were looking eagerly for “the consolation of Israel “(2.25) and “the redemption of Jerusalem” (2.38).

Justice in the New Testament

By the time of Jesus, Jewish society was dominated by a number of large families, who owned much of the land and controlled most of the levers of power. They might represent only 2% of the population, but by judicious use of patronage and the cultivation of clients, control of the judicial system, the Temple and the military, they were able to exercise an almost absolute control over the majority peasant people. [295] Except insofar as they were drawn into the cities (like Sepphoris, Tiberias or Jerusalem) to serve the interests of the aristocratic families, the ordinary people lived mainly in small villages (like Nazareth or Bethlehem) and worked in the fields, many on the aristocratic estates. Agriculture was flourishing at this time, but distribution of the produce was almost entirely in the hands of the aristocrats, so that their workers often lived in considerable poverty. As things were, however, it was generally fruitless to revolt or try to change the system. The best they could do was to work the system, as much as possible, to their own advantage, or engage in armed banditry. The one group that did attempt revolution were the Zealots. Founded by Judas the Galilean, who led a revolt against Rome in 6 A.D., it continued to be a thorn in the side of the Romans until Masada, their last stronghold, fell in 74 A.D. [296]

Trade and commerce were controlled by the rich and their agents, so that the profits accrued to them. Taxation payable to Rome was farmed out to the highest bidder (possibly by the High Priest) [297], and subject to many irregularities (hence the unpopularity of tax collectors in the gospels). It has been estimated that Herod the Great claimed 25-33% of the grain grown in his realm and 50% of the fruit. In addition Herod imposed indirect taxes on trade passing through his area and on market stalls. The chief tax was a poll tax, payable to the Romans, of one denarius a year (Matthew 22. 15-22). On top of this, there were also religious taxes - the Temple tax (the half shekel)(Matthew 17.24-27), tithes, and all the costs involved in making sacrifices (including money changing) (Matthew 21. 12-13). Altogether, the system worked to

[295] Kenneth C. Hanson and Douglas E. Oakman : *Palestine in the Time of Jesus : Social Structures and Social Conflicts*. Fortress Press, Minneapolis. 1998. pp70-82.

[296] Everett Ferguson : *Background of Early Christianity*. Eerdmanns. Grand Rapids. 1987. pp421-422. Josephus : Jewish Wars. Book 7. Chaps. 8-9.

[297] Ekkerhard W. Stegemann : *The Jewish Movement : A Social History of its First Century.* T&T Clark. Edinburgh. 1999. p118.

assert elite control over agrarian production. "The terms extraction, redistribution and tribute reflect the political nature of these distributive mechanisms. All of these terms emphasize that the benefits in ancient economy flowed upward to the advantage of the elites". [298] The result in the reign of Herod the Great was that, despite all his many ventures, when he died, he left a country that was impoverished and demoralised, so that the people sent a delegation to Rome to express their complaints. [299]

After many centuries when the subject of the Kingdom of God was virtually ignored by scholars, it was at the end of the 19th. century that it became a matter of central theological interest, largely through the work of Albrecht Ritschl, and it came to be appreciated that, when Jesus came, this was the central focus of his preaching. Initially, the emphasis of scholars was on the eschatological aspect of the kingdom – that it was not a matter of this-worldly moral improvement, but the miracle of God's intervention in human history for salvation and for judgement. As time passed, however, there was greater emphasis on the present experience of the kingdom. [300] Gradually, a basic consensus has developed, which (in the words of Chilton) could be described as follows : "Jesus' message of the kingdom referred fundamentally and distinctively to a transcendent reality, not to any human organisation. The kingdom is not a movement or a regime, but the sovereign activity of God. More particularly, the kingdom is to be understood within an appreciation of eschatology : what Jesus announced was nothing less than the ultimate intervention of God in human affairs, the tangible end of the world".[301] Included in this consensus is the idea of "realised eschatology" coined by C.H. Dodd – that the ultimate fulfilment of the kingdom is yet to come, but that it is made visible in the ministry of Jesus.

The report *Being Human* published in 2003 by the Church of England Doctrine Commission gives this very helpful summary :-

> If we see Jesus' ministry as aimed at the eschatological renewal of God's people Israel in the dawning rule of God, then we can see Jesus as

[298] Chilton, p26.
[299] Josephus : *Antiquities.* Book 17. Chap.11.
[300] Chilton, pp1--26.
[301] Chilton, pp25-26.

> implementing the imperatives of the Torah, the prophets and the wise in relation to the poor in typically radical forms. He goes out of his way to bring into the sphere of God's grace the destitute and marginalized of all kinds, including disabled beggars, demoniacs, lepers, prostitutes and (reminding us that economic status was not the only criterion of marginality) rich tax collectors and the chronically sick in wealthy families. And who does he make paradigmatic for his disciples, already living out God's rule ? The poor, children, day labourers, beggars and slaves. Jesus reconstitutes society under God's rule by making people with no or extremely low status and no privilege the paradigm to which others must conform. It was not impossible for the rich to enter the kingdom and live by its values, but it was difficult, since it demanded going beyond generosity or charity towards the destitute. It meant abandoning the arrogance of privilege in order to treat them as equals and enter into community with them. [302]

In other words, the ministry of Jesus reveals a clear understanding by him of the plight of the poor (all those deprived in any way of the world's resources) and of God's desire that, in His Kingdom, measures should be taken to deal with it. This was not a new revelation of God's desire, but (in sending His Son) God was taking drastic action (as implied in Mark 12.6), and Jesus demonstrated in both his life and teaching that success would not be achieved by a mere tinkering with the *status quo.* What was required was a radical re-orientation of society in which people no longer sought their own prosperity but the prosperity of all.

The gospel which contains a special emphasis on this is that of Luke, traditionally identified as a doctor from Philippi who accompanied Paul on some of his journeys and apparently had time, while Paul was imprisoned at Caesarea, to "investigate carefully everything from the beginning" (1.3). From the Song of Mary where she rejoiced that God had "filled the hungry with good things, but (had) sent the rich away empty" (1.53), Jesus is continually portrayed by Luke as the friend of the poor and outcast. In 4.18 Jesus applies to his ministry the words of Isaiah, saying that he has been anointed "to preach good news to the poor", and his version of the first beatitude in 6.20 reads "blessed are you who are poor". In 2.22-24 Luke is the one to reveal that Mary and

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[302] Doctrine Commission of the Church of England : *Being Human : A Christian Understanding of Personhood, illustrated with reference to power, money, sex and time.* Church House Press. London. 2003. pp71-72.

Joseph took the poor family's offering for Mary's purification in the temple. Luke shares with Matthew the important passage on the birds of the air and the flowers of the field (12.22-31), and with Matthew and Mark the story of the Rich Young Ruler (18.18-30).

There are then several sections which are unique to Luke. First, in the story of Jesus at a Pharisee's house (14.1-14), he says, "When you give a banquet, invite the poor.."(v13), and follows on with the Parable of the Great Banquet (14.15-24), which includes the instruction, "Go out quickly into the streets and alleys of the town and bring in the poor…"(v21). Then, in the Parable of the Rich Man and Lazarus (16. 19-31), Jesus gives a vivid picture of the fate of a rich man who ignores the poor around him, and in the Parable of the Rich Fool (12. 13-21) of the folly of the rich man who lives only for his riches. He also includes the Parable of the Unjust Steward (16. 1-15), which was mentioned in the Introduction. In 19. 1-10 we have the story of the tax-collector Zacchaeus, who becomes a disciple of Jesus, and then gives half his possessions (not all) to the poor, and pays back four times over to those he has cheated. Altogether, it is a remarkable fact that Jesus talked about money more than almost any other subject, and he seems to be conscious all the time of the injustices associated with it.

It has been claimed by several writers that Jesus was a political Messiah, seeking (even if by non-violent means), to replace the rule of Rome with the Kingdom of God. [303] So Douglas Oakman : "The activity of Jesus signified debt-release and possibly tax-evasion in the name of God's ruling power" [304], and Kloppenberg : "Bread and debt were quite simply the two most immediate problems facing the Galilean peasant, day-labourer and non-elite urbanite. Alleviation of these two anxieties would be the most obvious benefits of God's reign"; and to proclaim the year of the Lord's favour (Luke 4.18) meant that Jesus wanted to see the Jubilee (fiftieth year) enacted in accordance with

[303] Ched Myers : *Binding the Strong Man*. Orbis Books. Maryknoll, New York. 1988.
William Herzog : *Parables as Subversive Speech*. Westminster/ John Knox Press. Louisville, Kentucky. 1994.
Douglas Oakman : *You Cannot Serve God and Mammon*, in Biblical Theology Bulletin. Vol. 34.
John Kloppenberg : *Alms, Debt and Divorce : Jesus' Ethics in their Mediterranean Context*, in Toronto Journal of Theology. Vol 6.

[304] Oakman, p127.

the Torah. [305] If this is meant to mean that Jesus was the kind of political Messiah that many of the Jews were expecting, then it has to be said that Jesus refused on many occasions to accept this expectation – e.g. in the temptations in the wilderness (Matthew 4.4, Luke 4.4), in his refusal to be made king following the Feeding of the 5000 (John 6.15), and in his reply to Pilate : “My kingdom is not of this world. If it were, my servants would fight to prevent my arrest by the Jews. But now my kingdom is from another place” (John 18.36). From the records which we have, Jesus was not encouraging armed revolt against the occupying power. Even Myers makes clear that Jesus advocated non-violence. (He shows how Mark 13. 14ff were taken by the early Christians to mean that they were not to join in the Jewish revolt which began in 66 A.D.)[306] On the other hand, Jesus' teaching did have very radical implications which could have been interpreted as subversive. [307] What is certain is that Jesus' advocacy of the kingdom of God was understood as subversive by those who controlled the levers of power in Jerusalem, and that they accused him of being a rival to the Roman power (Luke 23.2). The ethic preached by him was very different from that practised by the elites of his day. Hanson and Oakman are correct to say that “Jesus' alternative is first and foremost an expression of non-elite interests and aspirations”. [308] Above all, however, what we see in the teaching of Jesus is an ethical programme very similar to that of the Torah and a desire for its implementation. Just as the Torah gives a programme for an ideal Jewish society, in which the needs of all are met, so the ethics of the Kingdom of God in the teaching of Jesus are a radical programme for an egalitarian society based on his interpretation of the Torah. [309]

As soon as Jesus returned to heaven (Acts 1.9), and the Holy Spirit had fallen on his disciples (2.1-4), we are given a picture of the first Christians in Jerusalem which includes a sharing of goods that clearly reflects the ideal in Deuteronomy 15.4 : “There

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[305] Kloppenberg, p192

[306] Myers, pp335-336.

[307] In his “tribute to Caesar” reply, Myers suggests that Jesus was definitely encouraging refusal to pay the hated poll tax (pp310-312).

[308] Hanson and Oakman, p125.

[309] I am following here my stated policy of taking the biblical texts as they stand, accepting that, in this way, we are discovering what was accepted as the teaching of Jesus by those who settled the New Testament canon.

should be no poor among you”. Despite the widespread opinion that this represented a full-blooded “Christian communism”, this was probably not a total sharing of goods. What is recorded is that those with land and houses sold them and placed them at the apostles’ feet, and it was distributed to anyone as they had need (4.34-35). This does not seem to have been universal. So the sin of Ananias and Sapphira (Acts 5.1-11) was not that they gave only part of the proceeds of their sale, but that they pretended to give the whole. Acts 6.1-7 shows how the distribution eventually required seven supervisors in order to take the pressure off the apostles. Similar distributions were made in the Jewish community to those who were in need. But the commitment of these Christians to one another obviously made a deep impression on the whole city (2.47).

Such measures to help the weaker members of the Christian community continued throughout the New Testament period. In Acts 11.27-30 the church in Antioch, on learning about a severe famine that would spread over the whole Roman world, sent help to the poor Christians living in Judea. Towards the end of his ministry, St. Paul gave a great deal of time and energy to taking a collection amongst other churches on behalf of the church in Jerusalem. In this project he was particularly concerned to cement the unity of Jewish and Gentile Christians in one world-wide church, but there was clearly an ongoing need in Jerusalem. Paul urged his readers to be generous in their response. At the same time, he felt it went further than this, arguing that, to act in this way would produce an *equality* (my italics) : “At the present time your plenty will provide what they need, so that in turn their plenty will supply what you need. Then there will be an equality” (2 Corinthians 8.14). And he went on to quote what happened when the people were given the manna in the wilderness, “He who gathered much did not have too much, and he who gathered little did not have too little”(2 Corinthians 8.15).

Justice in the Church Fathers

While my concern in this thesis is with the question of money, it must be recognized that the money someone possesses is but one aspect of their possessions, so that “mammon”, for instance, may not refer only to money, but to the whole of a person’s property, whatever that may be. For many people over much of history money has not been the most important aspect of their property. More significant has been the land which they farmed and the house in which they lived. Of great significance, therefore, in the 500 years’ dominance of the Roman Empire is the concept of property rights which they set in stone, which has since been extended throughout the world, and forms the basis of the modern capitalist economy. The roots were there in the city states of Ancient Greece [310], and were spreading under Alexander the Great and his successors. [311] However, it was in the formidable strength of Roman Law that it became so institutionalized that most of the empire’s citizens came to take it for granted.

In communities throughout the world, land was originally held in common, even where (as in Israel) it was allocated for use to different clans and families. In the case of Israel, we have already seen how more and more of the land was taken over by the state and by large aristocratic families. All of this was formalized under Roman Law, in what is commonly called the absolute conception of ownership – which was “ the unrestricted right of control over a physical thing, and whosoever has this right can claim the thing he owns, wherever it is, and no matter who possesses it”. [312] Such ownership was sacrosanct, even if the original obtaining of the ownership was by violence, war or theft. More often, as we have seen, it could be acquired in payment of a debt. Of course, it could also be bought and sold in a legally acceptable way. [313]

As time went by, this system came to be taken for granted. Even the plebeians seem to have accepted it, because it gave them secure ownership of the small pieces of land

[310] Ulrich Duchrow and Franz Hinkelammert : *Property : For People Not Profit*. WCC Publications. Geneva. 2004. pp7-10.

[311] Duchrow and Hinkelammert, pp 10-11.

[312] H. F. Jolovicz and Barry Nichols : *Historical Introduction to the Study of Roman Law.* Cambridge University Press. 1972. p140.

[313] Avila, p20.

which they farmed. There were occasional peasant revolts, put down brutally by the Roman armies. More often, disgruntled peasants would just leave the countryside and flee to the towns – where, of course, they would be beggars or, if possible, paid labourers. Possessing no land, they would have no political power, and many would become slaves. For these people money became more important. However, the importance of money would not increase dramatically until urbanization really took off. [314] This being so, it may not surprise us that there is little discussion about money (in itself) in the first part of this period, but much more about property and possessions.

As the church grew, it felt the need of an orderly presentation of the faith, both for members and non-members. There grew up, therefore, a number of catechetical schools, of which the most famous was at Alexandria, whose most illustrious teacher was Clement (c150-215 A.D.). Clement developed several ideas which were significant in this period. "Autarkeia" (or "self-sufficiency") was a popular idea in Greek philosophy, producing, it was said, freedom from anxiety. For Clement, however, self-sufficiency should not be seen as a licence for amassing riches for one's own benefit. For him, if one possessed property, this was not an end in itself; all one needed was sufficient to meet the necessities of life; after that, it was an opportunity for sharing with others who were less fortunate ("koinonia"). In this, he was clearly opposing the Roman idea that ownership of property was absolute. Instead of doing what you liked with your possessions, you should be seeking to do what God wills. "It is not jewels, or gold, or clothing, or beauty of person, that are of high value, but virtue; which is the Word given by the Instructor to be put into practice". [315]

Most significant from our point of view is Clement's homily on Mark 10. 17-31 (The Rich Young Ruler) – entitled *Quis Ho Sosomenos Plousios ?* ("Who is the Rich Man that is Saved ?"). As I have interpreted them, Clement interprets Jesus' words in this

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[314] Ironically, the insistence of the upper classes on maintaining their large estates and refusing to break them up, even when large tracts were no longer farmed, has been seen by some as a strong contribution to the eventual collapse of the empire. "The Roman Law theory and practice of absolute and exclusive ownership of land had been tried now – and for more than a millennium – and been found altogether wanting" (Avila, p32).

[315] Ed. Alexander Roberts and James Donaldson : *The Instructor*. Book 3, Chap 6 in Ante-Nicene Christian Library. Vol 4. Clement of Alexandria. Vol 1. T&T Clark. Edinburgh. 1867. p239.

passage, not as a condemnation of all rich people who retain their riches, but rather as a condemnation of those who are so attached to their riches that they are unwilling to let them go. In fact, he interprets "unrighteous mammon" (in Luke 16.9) as meaning that all possessions are by nature unrighteous "when a man possesses them for personal advantage as being entirely his own, and does not bring them into the common stock for those in need"; but then that "from this unrighteousness it is possible to perform a deed that is righteous and saving, namely, to give relief to one of those who have an eternal habitation with the Father". [316] In this way, Clement avoids the two extremes of complete renunciation of riches and the Roman concept of absolute ownership. For him, it is obvious that people need material goods; otherwise they would be tempted to steal and to other improper means of acquiring them. In fact they are the generous gift of God to meet our needs. They are not given, however, for selfish indulgence; rather to minister to the needs of all.

In the Latin-speaking (western half) of the empire, we may look at the writings of Cyprian (c200-258 A.D.) who became Bishop of Carthage about 248 A.D., and particularly at his homily *On Works and Almsgiving*, which is the first work to develop a fully-fledged doctrine of almsgiving. For Cyprian, the most important point is that almsgiving is not just an act of charity, but a matter of justice, stemming from the fact that what God has given us is given to be shared with others. "This is to become a child of God by spiritual birth; this is to imitate God's justice by the heavenly law. For whatever belongs to God is for the common use of all…..Whoever owns property and follows this example of equity, sharing his returns and his fruits with his brethren and showing himself fair and just with his gratuitous bounties, is an imitator of God". [317]

The fortunes of the church took a decisive turn with the conversion of Constantine, his accession as head of the western half of the empire in 312, and the eventual recognition of Christianity as the religion of the empire. In this new situation Christians and the church began to acquire extensive property, and there was a real temptation

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[316] Migne :*Patrologia Graeca* 9.637 – translation by G. W. Butterworth : Clement of Alexandria – The Exhortation to the Greeks, The Rich Man's Salvation, To the Newly Baptized. Heinemann. London. 1953. p337.

[317] Cyprian : *On Works and Almsgiving* in Corpus Christianorum, Series Latina. 111A, 71, in Phan p91.

to use this for selfish purposes. Despite this (or because of it) we see a continuance of the same attitude to possessions in the leading Fathers. Amongst the writers of this new period, we can turn first to Basil the Great (330-379) who became Bishop of Caesarea in Cappadocia in 370. Cappadocia at this time was a land of peasants, who farmed the great estates of (often absent) landowners. Although himself the owner of much property, Basil distributed all his possessions to the poor, and became a monk. As bishop he was greatly concerned about the riches of the few amidst the poverty of the many. Of all the early fathers, he came closest to denying the right to private property :-

> Whom do I injure (the rich man says) when I retain and conserve my own ? Which things, tell me, are yours ? Whence have you brought them into being ? You are like one occupying a place in the theatre, who should prohibit others from entering, requiring as one's own which was designed for the common use of all. Such are the rich. Because they were the first to occupy common goods, they take these goods as their own. If each one would take what is sufficient for one's needs, leaving what is in excess to those in distress, no-one would be rich, and no-one poor……. Are you not avaricious ? Are you not a robber ? You who make your own the things which you have received to distribute ? Will not one be called a thief who steals the garment of one already clothed, and is one deserving of any other title who will not clothe the naked if he is able to do so ? [318]

Similar words can be found in the mouth of John Chrysostom (347-407), the "golden mouthed", who became Patriarch of Constantinople in 398, though some of his most famous homilies were delivered earlier in Antioch. At the centre of empire (since Constantinople had become the capital under Constantine), his frankness (and tactlessness) made him unpopular with the Empress Eudoxia, and he was twice removed from his see, dying in exile in 407. As with Basil, Chrysostom emphasised continually the need for charity and solidarity – that is, that God has given what he has given to all his creatures and that it is meant to be shared amongst them all. In some of his homilies, scandalised by the extremes of wealth and poverty around him, he comes very close to declaring the possession of riches as sinful. The historian J.B. Bury described him as a preacher "who actually held theories of socialism…which might

[318] Basil the Great : Homily on "I will pull down my barns" PG 31. 276-277, in Avila, pp49-50.

have been very dangerous to the established order of things if he had carried them to any length". [319]

Chrysostom clearly had little respect for the Roman concept of ownership. In his homilies on 1 Timothy, Chrysostom said,

> So destructive a passion is greed, that to grow rich without injustice is impossible. This Christ declared, saying "Make to yourselves friends of (with) the mammon of unrighteousness". But what if you say, a man succeeded to his father's inheritance ? Then he received what had been gathered by injustice…..Can you, going back through many generations, show that the riches were justly acquired ? No, you cannot. The root and origin of them must have been injustice. [320]

One great doctor of the church in the west was Ambrose, Bishop of Milan (c337-397). For much of his time as bishop, the emperor for the western half of the empire lived in his diocese. A powerful leader and preacher, Ambrose again spoke strongly against the inequity of some living in luxury while the majority lived in poverty, and it is clear that there must have been many rich *Christians* who were failing to share their riches : "You come to church, not to give to the poor but to take away. You fast, not that the cost of your meal may go to those in need, but that you may gain something in plunder from them". [321]

In this area, his most significant teaching is in his homily (or homilies) on Naboth (1 Kings 21), in which he is clearly indebted to Basil for many of his insights. Ambrose begins, like Basil, by asserting that all are equal in the sight of God. "Nature, which begets all poor, does not know the rich. For we are neither born with raiment nor are we begotten with gold and silver. Naked it brings people into the light, wanting food, clothing and drink; naked the earth receives whom it has brought forth….. Nature, therefore, knows not how to discriminate when we are born, it knows not how when we die". [322] As a result, the wealth of nature has been given for the benefit of all. No-one can claim absolute ownership of anything. If it belongs to anybody, it belongs to

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[319] J. B. Bury *: A History of the Later Roman Empire*. Oxford University Press. London. 1957. p95.
[320] John Chrysostom : Homilies on 1 Timothy, 12.3, PG 62.562, in Phan p158.
[321] Ambrose : Naboth 45, *Corpus Scriptorum Eccelesiasticorum Latinorum*. 32.2.492, in Phan p172.
[322] Naboth 1, in Migne : *Patrologia Latina* 14. 732, in Avila, p62.

the person who has need of it. Those who are rich, therefore, should share what they have with the poor. Indeed they should regard sharing with the poor an act of restitution of what they have selfishly claimed as their own. “Not from your own do you bestow upon the poor man, but you make return for what is his.” [323]

I conclude with Augustine of Hippo (354-430), probably the most significant doctor of the church in the first four centuries. He was baptized in 387, having been much influenced by Ambrose. He then returned from Milan to Africa, where he sold his goods and gave the proceeds to the poor, moving onto one of his former estates to found a small monastic community. On becoming a bishop, he turned his bishop’s residence into a similar community. His ethical teaching begins with his famous maxim, “Solo Deo Fruendum” (Only God is to be enjoyed). Material things are rather to be “used” as God wills, and not “abused”. Possession of material goods can only be justified if they are used rightly. “The one who uses his wealth badly possesses it wrongfully, and wrongful possession means that it is another’s property”. [324] “The superfluous things of the wealthy are the necessities of the poor. When superfluous things are possessed (selfishly), others’ property is possessed”. [325]

In saying this, Augustine seems to accept the legal right of private property, whilst claiming that ethically it is only rightly owned if it is shared. He regards private property, in fact, as the chief enemy of peace, leading to selfishness and concentration on material things, and as being destructive of community. “Let us, therefore, abstain from the possession of private property – or from the love of it, if we cannot abstain from possession – and let us make room for God…..In property which each possesses privately, each necessarily becomes proud”. [326]

Justice in the Scholastics

Understanding the scholastics’ account of money has to begin with a realization that they were definitely motivated by a *moral* concern – to decide what exchanges were

[323] Naboth 11, PL14. 747, in Avila p66.
[324] Augustine : Letters 153.26, PL33.665, in Avila p110.
[325] Augustine : Homily on Psalm 147, PL37.1922, in Avila p113.
[326] Augustine : Homilies on Luke, 7.124. PL15.1731, in Avila p120.

right and what were wrong. Aquinas' most extended treatment of money is found , for instance, in the section of the *Summa Theologica* devoted to "vices opposed to justice". [327] More precisely, it is to be found in the section on vices opposed to *commutative* justice – which was concerned with the question of *equality* in exchange – which required perfect equality between whatever items were exchanged. Aquinas said, "Whatever is established for the common advantage shall not be more of a burden to one party than to another, and consequently all contracts between them should observe equality of thing and thing". [328] To act in accordance with commutative justice was a virtue; to act contrary to it was a vice. Where money was involved, the aim should be to discover "the just price" for each transaction.

It could, of course, be argued (rather as Calvin was to do) that all that was required in market exchanges was for people to live by "the golden rule" or to act out of love. Odd Langholm argues, however, that "this kind of ethics will lead to precisely the moral chaos which the institution of private property was meant to protect in the first place. The crooks will get the best of all deals and end up possessing all wealth, while the virtuous will suffer. If society is to prevail and to function properly, the general rule must be that each party to an economic exchange is given *his due".* [329]

The question of the just price is treated by Aquinas in the *Summa Theologica*, Question 77 ("Whether it is lawful to sell a thing for more than it's worth"). This very question suggests that Aquinas felt there was a figure (even if a rough one) which would indicate the just price for any particular transaction. He wrote, "The just price of things is not fixed with mathematical precision, but depends on a kind of estimate, so that a slight addition or subtraction would not seem to destroy the equality of justice". [330] At the same time, he didn't seem to know exactly how this price was made up. He certainly accepted that the seller's labour and risk have something to do with it. He said, "A tradesman… may lawfully (sell at an increased price) either because he has bettered the thing or because the value of the thing has changed with the change of place or time, or on account of the danger he incurs in transferring the thing from one

[327] English version of title.
[328] Aquinas : *Summa Theologica*. Second Part of the Second Part. Question 77. Art 1. pp318-319.
[329] Langholm, p24.
[330] *Summa*, Question 77, Art 1. p320.

place to another". [331] He also recognized that supply could make a difference (in his story of a wheat-seller approaching a city just before others who would drive the price down). [332]

Similarly with the question of usury (which I have already discussed), this was reckoned as a matter of justice. It was reckoned that, since a fungible was consumed in use, it was not possible (in a fungible) to separate ownership from use. But, in the case of a loan at interest, it could be argued that such a separation was taking place. So Aquinas himself wrote, in his classic definition of usury :-

> In suchlike things the use of the thing must not be reckoned apart from the thing itself, and whoever is granted the use of the thing, is granted the thing itself; and for this reason, to lend things of this kind is to transfer the ownership. Accordingly, if a man wanted to sell wine separately from the use of wine, he would be selling the same thing twice, or he would be selling what does not exist, wherefore he would evidently commit a sin of injustice. In like manner, he commits an injustice who lends wine or wheat, and asks for double payment – viz. (1) the return of the thing in equal measure (2) the price of the use, which is called usury. [333]

Aquinas' great point here is that to sell the same thing twice (in its substance and its use) is against natural justice. In relation to usury, he does quote Biblical passages like Exodus 22.25 and accepts the later warnings of the prophets that the Jews should abstain from <u>all</u> lending at interest. [334] It is, however, from the condemnation of natural justice that most of his conclusions are drawn. Some of these arguments from natural justice may seem far-fetched and abstruse to us today. They even lend weight to the way in which the scholastics have been pilloried as those who argue about how many angels can dance on the end of a pin. It is important for us to realise, however, that their discussions about money did have very practical outcomes, and the discussions emerged from trying to deal with very practical problems. The problem of usury, for instance, was not just an issue of concern to bankers and merchants. It affected anyone who needed to borrow or lend, and, to the scholastics, was a profoundly ethical issue. It is important to appreciate also that, abstruse as some of

[331] Article 4. p328.
[332] Article 3. p326.
[333] Question 78. Art 1. pp330-331.
[334] Aquinas : *De Malo*. Answer to Question 13, in Davies, p739.

these definitions may seem, they derived, for the scholastics, from what they regarded as the revelation of God through natural theology. However much they used the categories of Roman Law or of Aristotle, they used them because they supported that which they considered to have divine authority. So, for instance, for Aquinas, in distinguishing between things which are consumed in use and those which are not, this is done on the basis of the structure of the concrete beings themselves, prior to any legal classification . [335] And it is on this same basis that Roman Catholics have continued to use the same categories over the centuries that have followed.

Little points out the irony that these scholastics, who were taken mainly from the Franciscan and Dominican orders, founded on the absolute poverty of their members, should be those to formulate an ethic which often justified the activities of those groups which were immersed in the making of money. [336] Odd Langholm is more generous. He describes the efforts of the scholastics as an attempt “to face up to the dilemmas and contradictions involved in the concept of a Christian economy”. [337] The result, he admits, is a compromise. “It grants the social benefits of man’s avarice to a certain extent, while appealing, insistently and consistently, to his benevolence”. [338] R.H. Tawney, gives his own summary when he says

> The significance of (the movement’s) contribution……is to be found in the insistence of medieval thinkers that society is a spiritual organism, not an economic machine, and that economic activity….requires to be controlled and repressed by reference to the moral ends for which it supplies the material means….The experiment may have been impracticable, and almost from the first it was discredited by the notorious corruption of ecclesiastical authorities, who preached renunciation and gave a lesson in greed. But it had in it something of the heroic, and to ignore the nobility of the conception is not less absurd than to idealize its practical results. [339]

In the end, perhaps, the failure of scholasticism to settle issues in the economic sphere is simply a reflection of the inability of the church to maintain control over all aspects

[335] Norman, p55.
[336] Little, p216.
[337] Langholm, p564.
[338] Langholm, p594..
[339] R.H. Tawney : *Religion and the Rise of Capitalism*. Penguin Books. London. 1980. p73.

of life. The attempt to establish Christendom was, from this point of view, a unique phenomenon in social history, which it is difficult to imagine ever being seen again.

Justice in the Early Modern Period

Diana Wood describes the 12th. Century as the century of the "discovery of the individual", particularly perhaps as there was pressure on rural land and individuals began to acquire property in towns. [340] Augustine had allowed private property as long as it was not selfishly used, arguing that, since the Fall, property needed to be protected from the avarice of sinful human nature. Aquinas went further. He recognized that community of goods would seem to be in accordance with natural law. At the same time, however, he recognized the value of "positive" (i.e. human) law as a supplement to natural law, and that human agreement seems to realise private property to be necessary for the common good. He himself justifies this with three utilitarian arguments : (1) "Every man is more careful to procure (or look after) what is for himself alone"; (2) "Human affairs are conducted in a more orderly fashion"; and (3) "A more peaceful state is ensured". [341]

Meanwhile, great legal changes were taking place with regard to the holding of property. Throughout the feudal period, the theory was that no land was privately owned. The lord had "dominion" over it, but, unless he was the king, he himself was a tenant. There is much disagreement as to the origins of English Common Law, but at some time in this period it became possible for free tenants to appeal to the king's courts to claim possession of land based on inheritance. At the same time, in the newly developing towns, it became possible to claim ownership of a particular property. [342] The judgements of the scholastics can be understood, in general terms, as in support of these changes. In relation to the question of private property, however, the door

[340] Wood, p18.
[341] Aquinas : *Summa Theologica*. Second Part of the Second Part. Question 66. Art 2. p224.
[342] Wood, pp33-36.

was being opened to an acceptance of the old Roman Law of absolute private ownership, and so to an acceptance of an unequal ownership.

In practice, the courts increasingly defended absolute ownership. [343] Its philosophical justification is to be found in the works of writers like Hobbes and Locke, deducing their arguments from what they perceived in nature. Most significantly for us, Locke makes it clear on many occasions that the central function of government is the protection of property : "The great and chief end therefore of men uniting into Commonwealth, and putting themselves under Government, is the preservation of their property." [344] And ,in defining property, he says, "Whatsoever (a man) removes from the state that Nature hath provided, and left it in, he hath mixed his labour with, and joined it to something that is his own, and thereby makes it his property." [345] This applies particularly to land. [346] This appropriation of land can continue as long as there is enough left for others to do the same, [347] provided it is worked on by his own labour[348], and provided that no-one possesses more than he can make use of. [349]

He realizes, however, that difficulties begin to arise when land becomes scarce, so that communities have to establish the limits of each person's land [350]- and as soon as there is a monetary system (in that this enables someone to acquire more than their labour has worked on). Locke concludes , "It is plain that men have agreed to disproportionate and unequal possession of the earth, they having by tacit and voluntary consent found out a way, how a man may fairly possess more land than he himself can use the product of, by receiving in exchange for the overplus gold and silver, which may be hoarded up without injury to anyone, these metals not spoiling or decaying in the hands of the possessor." [351] In this new situation (he claims) the individual voluntarily surrenders his natural right to defend his property to the state; the state, establishing and enforcing laws, then serves as a kind of umpire in disputes that may arise.

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[343] Duchrow and Hinkelammert, p33.
[344] Locke : *Second Treatise of Government*, 9.124.
[345] Locke 5.27.
[346] Locke 5.32.
[347] Locke 5.36.
[348] Locke 5.36.
[349] Locke 5.40.
[350] Locke 5.45.
[351] Locke 5.50.

It is surely an extravagant claim that poor people have voluntarily consented to the creation of their own poverty. A key word in Locke's argument, however, is the word "tacit". No human being would consent with understanding to such an arrangement. But it seems to me that Locke (almost without realising it) has here unearthed one of the great problems with money – that is, the fact that the use of money inevitably (whether you realise it or not) produces inequality (unless steps are taken to counteract it). This is caused by the fact that, in almost every transaction (even if it is to the benefit of both parties) there is one party that is the stronger. Most of all is this the case, however, where one party has nothing but his or her labour. An owner of capital can make profits out of his activity and thus increase his capital, the labourer has nothing to gain but his wages (or else accept destitution).

This produces one of the important reasons for regulating markets, as the scholastics realised. Hobbes, to his credit, appreciated this to some degree, and proposed his strong sovereign power to prevent the struggle of capital and labour from getting violent. To his discredit, however, he did not actually believe in regulating markets, reckoning the market price for everything to be the correct price. In this way he removed any sense of justice from monetary affairs. In the case of Locke, the state is established by the people with the particular purpose of protecting the private property that is considered to generate wealth for everybody (though especially, of course, for the owners of capital). Again, however, this is not on the basis of any kind of justice.

Justice and the Common Good

Since Locke, the global economy has been built on the foundation that he justified. For much of this time the dominant philosophy has been that of "laissez faire", letting the market price be the judge in all transactions. Particularly in Roman Catholic theology, however, there have always been those who were convinced that moral considerations must prevail, and this point was strongly made by Leo XIII in his famous encyclical *Rerum Novarum* (1891), usually regarded as the first papal encyclical on economic matters. Theologically, the encyclical is based on the validity of Natural Law, to which Leo had re-committed the church in 1879 in his encyclical *Aeterni Patris*, and to which all aspects of life, including the economic, were supposed to be subject. [352] In particular, Leo laid strong emphasis on justice as the crucial criterion by which issues should be judged - and justice was held to require that the common good of the whole community must take preference over individual gain.

The encyclical begins with a clear recognition of the plight of working people in the industrial era. "There can be no question whatever that some remedy must be found, and quickly found, for the misery and wretchedness which press so heavily at this moment on the large majority of the very poor". And very quickly, Leo locates what he sees as a major source of the problem – that "working men have been given over, isolated and defenceless, to the callousness of employers and the greed of unrestrained competition". Of particular interest in the context of this thesis, he goes on, "The evil has been increased by rapacious usury, which, although more than once condemned by the church, is nevertheless, under a different form but with the same guilt, still practised by avaricious and grasping men". The eventual result has been "to lay upon the masses of the poor a yoke little better than slavery itself". [353]

Already at this point, therefore, we are seeing the opposition of the Pope to unbridled capitalism and "laissez-faire" economics, under which money is allowed free rein. The reference to usury is quite surprising, considering the fact that the principle of charging interest had been accepted for many years. What is clearly being referred to is the charging of excessive interest. Unfortunately, this is not a subject to which Leo returns, except insofar as he urges employers to treat their employees on the basis of justice rather than seeking the maximum profits for themselves. It does reveal, nevertheless, a deep suspicion of the capitalist system which was to survive for many years (as it did in the Church of England). The revival also of the idea of a just wage and the encouragement of various activities on the part of the state are clear indications that the philosophy of "laissez-faire" was regarded as totally inadequate for the situation being faced.

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[352] This same encyclical also returned the church to a particular appreciation of the work of Thomas Aquinas. It may be found printed as an introduction to the *Summa Theologica*, English version. Burns Oates and Westbourne Ltd. London. 1920.

[353] *Rerum Novarum*, English translation, in David O'Brien and Thomas A. Shannon : *Catholic Social Thought : The Documentary Heritage*. Orbis Books. Maryknoll, New York. 2005. para 2.

At the same time the Pope was totally opposed to what he called "socialism"(or communism) the prime evil of which he saw as the confiscation of private property. Right at the beginning he says of the socialists "their proposals are so clearly futile for all practical purposes, that if they were carried out the working man himself would be among the first to suffer. Moreover they are emphatically unjust, because they would rob the lawful possessor, bring the state into a sphere that is not its own, and cause complete confusion in the community". [354] Strangely enough, though Leo contends that private property is in accordance with Natural Law, he produces an argument for this which appears to come from Locke as much as from the Catholic Natural Law tradition : "When man spends the industry of his mind and the strength of his body in procuring the fruits of nature, by that act he makes his own that portion of nature's field which he cultivates". [355] Thomas Aquinas (following Aristotle) had held that *community* of goods was part of the Natural Law, private property being expedient because of the covetousness of other human beings. In the 16th and 17th centuries, however, the church had come to accept the assumption amongst property owners that they had an absolute right to their property (as in the Roman Law tradition) and scholars like Grotius had turned this into a natural right. [356]

Though allowing a significant role for the state, Leo is opposed to too much state intervention in the economy. He says, "True, if a family finds itself in great difficulty, utterly friendless, and without prospect of help, it is right that extreme necessity be met by public aid….But the rulers of the State must go no further : nature bids them stop here". [357] What he feels to be the correct way of helping the poor is (a) private charity (b) Workmen's Associations – by which he means any institution created voluntarily for the help of the needy – not particularly a trade union (though there does appear to be scope for these, provided that their purposes are not "evidently bad, unjust or dangerous to the State"). [358] It is obvious that his chief complaint at this point is the way that the property of Catholic charitable organizations was being

[354] *Rerum Novarum,* para 3.
[355] *Rerum Novarum,* para 7.
[356] Duchrow and Hinkelammert, pp33-34.
[357] *Rerum Novarum,* para 11.
[358] *Rerum Novarum,* para 38.

confiscated [359] – when, in his view, these organizations were the best way of ministering to the poor.

While Leo holds back at certain points, what cannot be doubted is that the whole encyclical is dominated by a great suspicion of "laissez-faire" economics and of an unrestrained seeking after profits, together with a desire that other motivations should have a dominant role in economic affairs. Here we encounter reference to "the common good" [360]and "justice for all" [361], and the whole encyclical ends with a great paean in praise of love. [362] Here also is a section on the right use of money, where the point is strongly made that, even if it is lawful to hold private property, "man should not consider his outward possessions as his own, but as common to all, so as to share them without difficulty when others are in need". [363] In words like this, the problem of inequality is clearly recognised, together with the need to take action about it. A good summary is that of David O'Brien and Thomas Shannon :-

> Leo insisted that the moral law – based on a rational understanding of human nature supplemented by revelation – had to be part of every economic system and indeed of every economic transaction. The criteria given by that law were justice, demanding equity in exchange and bargaining; balance between various economic sectors; and organization of the constituent economic units. More generally, (my italics) *justice demanded that the common good of the community takes precedence over individual gain* in determining economic policy, without, however, necessarily infringing on legitimate rights. [364]

The whole subject is taken further in Catholic teaching with the development in the mid-20th. Century of the idea of fundamental human rights, not least through the thinking of Jacques Maritain. [365] The idea of fundamental human rights is tackled at

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[359] *Rerum Novarum,* para 39.

[360] "It is the province of the commonwealth to consult for the common good " (para 26).

[361] "Among the many and grave duties of rulers who want to do the best for their people, the first and chief is to act with strict justice - with that justice which is called in the schools "distributive" – towards each and every class" (para 27).

[362] "The happy results we all long for must be chiefly brought about by the plenteous outpouring of charity" (para 45).

[363] *Rerum Novarum*, para 19.

[364] O'Brien and Shannon, p13.

[365] Brian Stiltner :*Religion and the Common Good : Catholic Contributions to Building Community in a Liberal Society.* Rowan and Littlefield. Lanham, New York.1999. Chapter 3.

length in Pope John XXIII's encyclical *Pacem in Terris* (1963), where the first of such rights is stated as "the right to life and a worthy standard of living", in which each person has "the right to security in the case of ...any (situation) in which he is deprived of the means of subsistence through no fault of his own". [366] The "preferential option for the poor" is given its first encyclical mention in that same encyclical : "Consideration of justice and equity..can at times demand that those in civil government give more attention to the less fortunate members of the community, since they are less able to defend their rights and to assert their legitimate claims". [367] Since that time, justice and the common good have continued to be the major themes in Catholic social teaching – so that in his encyclical "*Caritas In Veritate*" (2009) Pope Benedict XVI (known generally as a conservative pope) can say, "Justice is the primary way of charity..... an integral part of love "in deed and in truth" (1 John 3.18), to which Saint John exhorts us...Charity demands justice : recognition and respect for the legitimate rights of individuals and peoples". [368] Similarly, "To desire the *common good* and strive towards it is *a requirement of justice and charity". [369]*

In specific relation to economic matters, Benedict says :

> The world's wealth is growing in absolute terms, but inequalities are on the increase...the *primary capital to be safeguarded and valued is man, the human person in his or her integrity....* the conviction that the economy must be autonomous, that it must be shielded from "influences" of a moral character, has led men to abuse the economic process in a thoroughly destructive way...the social doctrine of the Church has unceasingly highlighted the importance of *distributive justice* and *social justice for the market economy.....* the entire financial system has to be aimed at sustaining true development . [370]

How this is to be done, however, we are not told – beyond the need for financiers to "rediscover the genuinely ethical foundation of their activity..........the regulation of the

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[366] Pope John XXIII : *Pacem in Terris*, in O'Brien and Shannon, para 11.
[367] *Pacem in Terris,* para 56.
[368] Benedict XVI : *Caritas In Veritate*. Veritas Publications. Dublin. 2009. para 6.
[369] *Caritas in Veritate,* para 7.
[370] *Caritas in Veritate,* paras 23, 25, 34, 35, 65.

financial sector, so as to safeguard weaker parties and discourage scandalous speculation", and "experimentation with new forms of finance, designed to support development projects". [371] There is also an important paragraph which has created most of the headlines, where Benedict calls for a reform of the United Nations Organization, of global economic institutions and international finance "in order to arrive at a political, juridical and economic order which can increase and give direction to international co-operation for the development of all peoples in solidarity. [372] In this he correctly discerns that the fact of globalization makes it impossible for the necessary changes to be made by individual countries on their own.

As in the past, however, what seems to be missing is any clear appreciation in the encyclical of how radical a solution is actually required to deal with the power of money in the capitalist system, or that the system is fatally flawed. There is one sentence where the Pope says that "the more vulnerable sectors of the population....should be protected from the risk of usury" [373], but the argument moves quickly onto other matters. And, earlier in the encyclical, he passes quickly over the question of the market, suggesting that the problem is not with the market in itself so much as in what people make it. This paragraph is carefully nuanced, and contains some important recognitions - for instance, "The market does not exist in the pure state. It is shaped by the cultural configurations which define it and give it direction" and "The market can be a negative force, not because it is so by nature, but because a certain ideology (laissez faire ?) can make it so". At the same time, the emphasis is on what people do with the market. "Instruments that are good in themselves can be transformed into harmful ones. But it is man's darkened reason that produces these consequences, not the instrument *per se.* Therefore *it is not the instrument that must be called to account, but individuals* (my italics), their moral conscience and their personal and social responsibility". [374]

A similar criticism could be made of the document commissioned by the Vatican specifically to deal with the ethical issues raised by the vast increase in financial

[371] *Caritas in Veritate,* para 65.
[372] *Caritas in Veritate*, para 67.
[373] *Caritas in Veritate*, para 65.
[374] *Caritas in Veritate*, para 36.

activity since the 1970s. [375] This document makes a noble attempt to tackle some of the ethical issues involved, concluding with advice to individuals, financiers, company managers and public authorities about the ethical attitudes they should take, but it fails completely to consider the question of the nature of money and how it should be evaluated. This failure is noted by Catherine Cowley in her book *The Value of Money : Ethics and the World of Finance*, where she observes that, since the decline of scholasticism, this has been a subject generally neglected by Catholic writers. "As the understanding of the nature of money and the relationship between money and time changed, the (scholastic) teaching (on the nature of money) was first adapted and then finally dropped. Although reflection on economic matters continued, it did so without

developing a new understanding of money to replace the one left behind". [376]

Despite this, it would not be right to play down the enormous significance of the theology of the common good and its criticism of dangers produced by the dominance of money. Particularly since 1989, when Herman Daly and John Cobb Jr. produced their manifesto for "redirecting the economy toward community, the environment, and a sustainable future" (the sub-title for their book *The Common Good*) [377], the concept of the common good has become widely accepted currency in thinking aimed at overcoming the inequalities apparent in the global economy. [378] As Christians themselves, although they write without giving any particular authority to Christian theology, Daly and Cobb claim that "theism is at least a check against idolatry" [379] and that "theism recognizes a perspective that transcends one's own". [380] Cobb himself writes more specifically from a Christian standpoint in his follow-up book *Sustaining the Common Good* (1994). [381]

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[375] Antoine de Salins and Francois de Galhan : *The Modern Development of Financial Activities in the Light of the Ethical Demands of Christianity.* Pontifical Council for Justice and Peace. Libreria Editrice Vaticana. Vatican City. English edition. 1994.

[376] Catherine Cowley : *The Value of Money : Ethics and the World of Finance*. T&T Clark International. London and New York. 2006. pp93-94.

[377] Herman Daly and John Cobb Jr : *The Common Good.* Beacon Press. Boston. 1989.

[378] as in June O'Connor : *Making a Case for the Common Good in a Global Economy – the United Nations Human Development Reports (1990-2001),* in Journal of Religious Ethics. 2002. pp157- 173.

[379] Daly and Cobb, p395.

[380] Daly and Cobb, p396.

[381] John B. Cobb Jr : *Sustaining the Common Good : A Christian Perspective on the Global Economy.*

The Catholic Bishops of England and Wales, in their statement, *The Common Good and the Catholic Church's Social Teaching* (1996) summarize contemporary Catholic convictions when they say :

> The Church's social teaching can be summed up as the obligation of every individual to contribute to the good of society, in the interests of justice and in pursuit of the "option for the poor". This is the context most likely to foster human fulfilment for everyone, where each individual can enjoy the benefit of living in an orderly, prosperous and healthy society. A society with insufficient regard for the common good would be unpleasant and dangerous to live in, as well as unjust to those it excluded. [382]

Justice and Christian Socialism

It was the suffering produced by the Industrial Revolution that produced in Britain the movement of Christian Socialism, following the lead of F.D. Maurice (1805-72), who published a seminal work in 1838 entitled *The Kingdom of Christ or Letters to a Quaker concerning the Principles, Conceptions and Ordinances of the Catholic Church*, in which his primary assertion was that Christ had not come to establish a religious sect or a new society but a kingdom. [383] It was God's will that this kingdom should embrace all men, rich and poor, and that the whole world should be brought under the rule of Christ. In the words of John Atherton, this "reflected a fundamentally important transformation in church life, and therefore in society, from stressing the atonement to focussing on the incarnation." [384] In the thinking of Maurice, every human being was in Christ, part of one body, and, instead of engaging in competition with each other, they should be working together for the good of all. "Christ came to establish a

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The Pilgrim Press. Cleveland, Ohio. 1994.
A similar emphasis has pervaded pronouncements of the World Council of Churches, particularly since the Nairobi Assembly of 1975 set itself to seek "a just, participatory and sustainable society".

[382] Catholic Bishops' Conference of England and Wales : *The Common Good and the Catholic Church's Social Teaching*. London. 1996.

[383] F. D. Maurice : *The Kingdom of Christ*. SCM Press. London. 1958.

[384] John Atherton : *Christianity and the Market*. SPCK. London. 1992. p141.

kingdom, not to proclaim a set of opinions. Every man entering this kingdom becomes interested in all its relations, members, circumstances; he cannot separate himself in anywise from them; he cannot establish a life or interest apart from theirs." [385]

Up till then, Anglicans had always been suspicious of radical proposals for social change, not least those of the Chartists, because they had often been anti-clerical. Maurice was not a revolutionary, but aimed to strike at the roots of the prevailing system of competition by encouraging worker co-operatives, where people could work together, sharing the profits. He also realized that, in order to manage their own affairs, working people needed more opportunities for education, and this led to the foundation of the Working Men's College, of which he became the first Principal. He worked with a small group of fellow enthusiasts, not least John Ludlow (1821-1911) and Charles Kingsley (1819-75). Together they produced a series of pamphlets entitled "Politics of the People", a series which only lasted a few months, but created a great impression. The name "Christian Socialists", which they chose for themselves, was meant to be provocative, underlining their conviction that Christianity stood for a society in which people worked together rather than in competition.

The first phase of the movement may be said to have come to an end in 1854, when Maurice closed his Society for Promoting Working Men's Associations, but the next twenty years did see the growth of incarnational theology throughout the church. In 1877 a new generation of clergy organized themselves in The Guild of St. Matthew. Its founder, Stewart Headlam (1847-1924), pursued a more radical and political course than the earlier group. His was a socialism committed to the redistribution of wealth, the reform of land, and secular education for all. He was particularly attracted by the Single Tax of the American, Henry George, who advocated the taxation of land as the way to produce a just society. Another organization, founded in 1889 was the Christian Social Union, which was more academic and had a larger membership.

The CSU was a formidable institution in its time. For instance, at the end of the century

[385] Maurice. III. p387.

about two thirds of all Oxford undergraduates belonged to it [386], and in the period 1889-1913 fourteen out of the 53 bishops appointed were CSU members. [387] As the 20th. Century continued, most pronouncements of the Church of England on social issues reflected this standpoint. That is not to say that there was unanimity amongst those who belonged to this tradition. There was, in fact, considerable variety in understanding of the word "socialist". For some it meant little more than co-operative activity. [388] At the other extreme were those who sought the nationalization of banks and the major means of production. [389] The CSU tended to have a very broad membership. The Guild of St. Matthew (until its demise 1909) was further to the left, as was the Church Socialist League (formed in 1906). This was split in 1923 into the Anglo-Catholic League of the Kingdom of God (which avoided all references to socialism or common ownership) and the Society of Socialist Christians, which was interdenominational and affiliated to the Labour Party. [390]

The way it turned out, therefore, was that writers in this tradition either spoke generally of the need for a change in the economic system or else advocated reforms aimed at dealing with what were felt to be its most damaging features. Examples of this were "the living (minimum) wage" (first proposed in church circles in the Canterbury Convocation report, *The Moral Witness of the Church on Economic Subjects)* (1907) [391], nationalisation (advocated by William Temple at the Pan-Anglican Congress of 1908) [392], taxes on land (as included in the 1909 Budget) [393], and increases in death duties (in the publication *Competition* produced by the Collegium group in 1916) [394]. Many of these proposals were included in the *Fifth Report* (1919) produced by one of the Archbishops' Committees of Inquiry following the National Mission of

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[386] A.M.C. Waterman : *Political Economy and Christian Theology Since the Enlightenment.* Palgrave Macmillan. Basingstoke. 2004. p214.
[387] Atherton, p181.
[388] "Socialism is the opposite of Individualism, and it is by contrast with Individualism that the true character of Socialism can be discerned" (Official Report of the Church Congress held at Hull. London. 1890. p320).
[389] "Churchmen can unite with Socialists of every sort in their endeavour to seize the state and use it for the well-being of the masses instead of the classes" (*Christian Socialism*. Fabian Society. London. 1892. p6).
[390] Alan Wilkinson : *Christian Socialism : Scott Holland to Tony Blair*. SCM Press. London. 1998. pp143-144.
[391] Wilkinson, p91.
[392] Wilkinson, p58.
[393] Wilkinson, p59
[394] E.R. Norman : *Church and Society in England, 1770-1970*. Oxford University Press. 1976. p241.

1916, and in the reports of the Conference on Christian Politics, Economics and Citizenship (COPEC) of 1924.

One of the clearest treatments on the subject of money was in a book produced for the Christian Social Council, *God, Man and Society* (sub-titled *An Introduction to Christian Sociology*) by V.A. Demant : "While the church must recognize the autonomy of secular discipline, she is not called upon to refrain from proclaiming a religious and moral obligation to make economic and monetary practice reflect economic realities…One of the tasks of the Church is to demand in the name of truth that these theories and habits be radically reconsidered, for Christ is the Truth as well as the Way and the Life". [395] He went on to say, "Reformers have for centuries overlooked the part which unregulated use or monopolized control of money played in unequally distributing property….It was money rather than property which even in the Middle Ages was the core of the economic problem". [396] "Historically and analytically, then, we have reasons for suggesting that the key to the problem of wealth distribution is the role of the social regulation of money, of restricting it to a common measure of value, and denouncing it as a means of debt….The problem of property began with the problem of money; and it will have to be handled from the end of money, which has become the most irresponsible form of property in the world." [397]

The outstanding figure in this tradition was undoubtedly William Temple, who was Archbishop of Canterbury from 1942 to 1944. Right from the beginning of his ministry, Temple was outspoken on social and economic issues. In 1909 he formed the Collegium group whose chief production was the volume on *Competition* (produced in 1913 but not published till 1916). He joined the Labour Party in 1918, but withdrew on his appointment to Manchester (so, he said, that the church should not be seen to have any party political bias). At Manchester, York and Canterbury he continued to speak out, and played major roles in the COPEC, Oxford and Malvern Conferences devoted to social issues. Robert Craig is right to point out, however, as others have also done, that "after 1924 (COPEC) Temple came to see the manifest inadequacy of

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[395] V. A. Demant (for the Christian Social Council) : *God, Money and Society*. SCM Press. London. 1933. pp197-198.

[396] Demant, p209.

[397] Demant, p211.

his ethico-social approach to the human situation. For example, he came to see that his call to self-sacrifice and his neglect of the principle of concrete justice had been a grievous error…. Temple saw the Christian in society called to think in terms of justice as well as love, of rights as well as duties. This increasing realism (fired, we may say, by his contacts with Reinhold Niebuhr) marks his latter years". [398]

Norman is right to say that probably the greatest contribution to the social Christianity which Temple had done so much to foster was his Penguin Special, *Christianity and the Social Order*, published in 1942, just before his translation to Canterbury. [399] The significance of this book was chiefly that it was brief and widely read, and that it revealed to the general public the extent to which socialist values had reached the highest levels of the church. [400] Temple was careful to say that the church as an institution should not advocate any particular policy in the political and economic realm, but confine itself to general principles. [401] He also emphasized that he was not simply advocating Socialism. "The question is…How Socialist and how individualist shall we be ?" [402] He went on, however, in an appendix, to state his own views on many of the practical issues of the time – views which were strongly Socialist in their emphasis. He talked, for instance, about the nationalization of commercial banks, the nationalization of urban land, the participation of workers on the boards of the companies for which they worked. He even mentioned the radical idea which he called "withering capital" – according to which, as soon as the interest paid on any investment is equal to the sum invested, the principal should be reduced by a specific amount each year until the claim of the investor to interest or dividends is extinguished. [403]

Temple's methodology (in the main part of the book) relied heavily on what he called "Natural Law", following the emphasis of the Christendom group, rather than on appeal to the scriptures (though he did lay much emphasis on the doctrine of man

[398] Robert Craig : *Social Concern in the Thought of William Temple.* Victor Gollancz Ltd. London. 1963. pp123-124.
[399] Norman, p367.
[400] It was advertised on its front cover as "A statement of the beliefs of the People's Archbishop that all secular policy should be founded upon Christian truth."
[401] William Temple : *Christianity and the Social Order*. Penguin Books. London. 1942. p28.
[402] Temple, p102.
[403] Temple, p111.

made in the image of God, revealed in the scriptures). The conclusions he drew, however, reveal the difficulty of deducing moral prescriptions from Natural Law, unless they are to consist of vague generalities. He finished up, therefore, with some very general statements, like "The aim of a Christian social order is the fullest possible development of individual personality in the widest and deepest possible fellowship". [404] And, in relation to capitalism, he said, "For economic production there must be profits, there ought to be regard for the consumer's interest, and it is wrong to sacrifice that interest to the increase of profits above a reasonable figure….industry, commerce etc is to be judged by its success in promoting or facilitating the true ends of human life – religion, art, science, and, above all, happy relationships". [405] In the Appendix, he did produce more detailed proposals (his own, rather than church's), but clearly felt these could not be deduced directly from Natural Law.

What is remarkable is that Temple not only absorbed these views but advocated them publicly at every opportunity, despite the fact that his knowledge of economics was limited and that he was bound to be attacked by the economics profession. [406] Not surprisingly perhaps, his opinions aroused considerable controversy. Could an Archbishop of Canterbury express personal opinions in public ? Did he know enough about economics to speak publicly on such issues ? The general response, however, was enthusiastic and favourable, not necessarily because everybody accepted his arguments, but because the leader of the church had had the courage to speak out on issues at the core of national life. [407] Many have felt his detailed prescriptions to be basically impractical. Certainly, with his death, the end of the war and the new political situation that followed, such ideas were less prominently expressed. To some extent, however, this was due to the fact that the legislation of the new Labour government put into law so much of what men like Temple had been seeking. It would not be too much to claim that the achievements of the post-war Labour government can be attributed to a great degree to the long campaign waged by Christian Socialists over more than 50 years. Prophets are not always gifted in the detailed government of society, but Temple's prophetic role (in particular) in seeking to make a Christian voice

[404] Temple, p100.
[405] Temple, p82.
[406] Temple : *The Church Looks Forward.* pp116-117.
[407] F. A. Iremonger : *William Temple*. Oxford University Press. London. 1948. p581.

heard in economic and political affairs had been of enormous significance. From our point of view, what Temple represents is a remarkable example of a theologian who was deeply aware of the dangers involved in allowing unrestrained use of money. It is not so clear whether he appreciated that money is a problem *in itself.* What is significant, however, is that he was prepared in his later years to use his position in order to challenge the very basis of the capitalist economic system on theological grounds. What is to be regretted is that, in the post-war years, this challenge gradually faded.

Capitalism Under Fire

After the 30-year post-war honeymoon, the mid-1970s witnessed the breakdown of many of the certainties bred by the Enlightenment movement. It could be said that the two world wars dealt its death-blow, but that it actually took thirty years to die. The reverberations of this sea-change can be seen in theologies like Liberation Theology (which we shall discuss later), the Political Theology associated particularly with Jurgen Moltmann, the Neo-Barthianism of Stanley Hauerwas, and the Radical Orthodoxy associated particularly with John Milbank. In the realm of economics this sea-change was precipitated by the dramatic rise in the price of oil initiated by the OPEC countries (at a time when the use of oil had become critical to the running of western economies), the deregulation epitomized by the removal of the dollar from the gold standard, and the proven inability of western nations to contain inflation.

Faith in the City (The Report of the Archbishop of Canterbury's Commission on Urban Priority Areas) was probably the most influential Church of England report since *Towards the Conversion of England* (1944). It achieved popular fame because it was seen to oppose the conservative policies of Baroness Thatcher's government, in power at the time. The report talks, for instance, of "grave and fundamental injustice in the UPAs (Urban Priority Areas).....No adequate response is being made by government, nation or church". [408] It also calls on Christians to beware of slogans like "the creation of wealth" and "industry must be more efficient" which tend to establish themselves as self-evident maxims . [409] "The church is entitled to speak if society seems to be losing its compassionate character". [410] "It is unrealistic to assume that even the skilled and mobile residents of our cities can all "get on their bikes" (Lord Tebbit's phrase) and move….Some may argue that the benefits of economic growth will somehow "trickle down" to unemployed people in the UPAs. We are not convinced by such arguments… recent history has, on the contrary, seen an increasing divide between rich and poor…We believe that at present too much emphasis is being given to individualism, and not enough to collective obligation". [411] It then quotes a motion passed by the General Synod in 1984 : "The world of economics is not a closed world, and economic values are not self-justifying, but need to be set in the larger context of human values". [412] In the section of conclusions, the report quotes, without comment, one of the submissions made to the commission (but it would hardly have been quoted at such a significant point unless the commission regarded it as true) : "The exclusion of the poor is pervasive and not accidental. It is organized and imposed by powerful institutions which represent the rest of us". [413] The Report consists largely, however, of detailed prescriptions for Britain's urban ills – a path which earlier reports had been singularly unwilling to follow.

From the point of view of this thesis, what is most significant in the report is, undoubtedly, the concerted opposition of the report to the neo-liberal economic thinking of the Conservative government. No commission member entered a minority report. On the contrary, the commission goes out of its way to say "*We are united* (my italics) in the view that the costs of present policies, with the continuing growth of unemployment, are unacceptable in their effect on whole communities and generations". [414] It could be argued, perhaps, that the report was produced at a time when this reflected widely-held opinion in society, and such unanimity might not have

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[408] *Faith in the City* : The Report of the Archbishop of Canterbury's Commission on Urban Priority Areas. Church House Publishing. London. 1985. pxv.
[409] *Faith in the City*, pp52-53.
[410] *Faith in the City*, p56.
[411] *Faith in the City,* pp205-208.
[412] *Faith in the City,* p209.
[413] *Faith in the City,* p360.
[414] *Faith in the City.* p209

been achieved in different circumstances. The commission does appear to reflect, however, the kind of theology which was beginning to take over from the classical liberal approach. In a significant passage, they write, “There is no generally agreed manifesto for a Christian social order. Yet this long tradition of Christian social thinking, if it does not offer an immediate alternative to the present economic and political system, has nevertheless kept alive the fundamental Christian conviction that even in this fallen world there are possibilities for a better ordering of society”. [415] And “These challenges addressed to widely accepted maxims arise not from a clearly defined Christian social and political philosophy but from the existence in Scripture of a different paradigm of social and economic relationships”. [416] On this basis, the commission does feel able to speak confidently on a broad range of practical issues. What is missing, perhaps, is any explicit statement that the weakness of the neo-liberal position might stem from its reliance on the unfettered use of money.

A fully-fledged Christian attack on capitalism finally arrived in Timothy Gorringe’s *Capital and the Kingdom*(1994), with its penetrating account of the phenomenon of capitalism, and its blow-by-blow description of the devastating effects of the free economy on human life and the cosmos. Gorringe traces the origins of this situation to the separation between ethics and economics which became established during the Enlightenment, and describes his aim as an attempt to bring them together again in an understanding of the significance of the Kingdom of God. He highlights the particular role of that prophecy which is a voice from outside the system of prevailing morality, calling humanity back to values which sustain community and fullness of life for all.

The economic system, he says, is not a self-evident system of iron laws to be unquestioningly obeyed, but one that has been created and manipulated by those with power in order to suit their own ends. Of the gods worshipped in this system, which now envelops the world, he identifies growth (p80), efficiency (p85), competition (p98), private property (p115) and individualism (p121). Those who have suffered most, of course, have been the inhabitants of under-developed countries, and the most devastating factor in that has been debt. “The reason for this fiasco, perhaps

[415] *Faith in the City,* p52.
[416] *Faith in the City,* p54.

better described as wickedness, is the compulsion to put growth and profit (which involves lifestyle) before everything else….the net effect of giving absolute priority to profit is death". [417] There are at least three fundamental considerations which demand church pressure for a different economic order: (1) that its control has to be changed (2) debts have to be remitted (3) priority has to be given to that which produces life . [418]

The final chapter then identifies two ways that can be followed (echoing Deuteronomy 30.19) – that which leads to death, and that which leads to life. It is not too late, he says for the human race to choose life (though the ecological clock is steadily running down) - and, from the point of view of this thesis, it is significant that he finds a crucial place for a total renewal of the role of money. "The money system could be redeemed through a recognition of the proper function of money as enabling people to transact with one another and act conservingly (instead of being a means of profit)". [419] The end of it all would be to produce a system in which the resources of the world are used not for the benefit of the few, but to produce a prosperous, just and secure future for all.

Another critique of capitalism is David Jenkins' book *Market Whys and Wherefores* (2000). Through his work at William Temple College, and later at Durham, and through his personal involvement in the trauma of the Miners' Strike, Jenkins had come face to face with the corrosive effects of an unbridled economy, and his aim throughout the book is to challenge the Free Market fundamentalism which insists there is no alternative to it (TINA). He understands that he does this as a Christian with all the depth of the Christian tradition behind him. On the other hand, he is clear that he doesn't want to base his argument on specifically Christian presuppositions :

> I am not investigating the sources of market optimism in order to make a case for God. What I am doing is pursuing a secular case against investing optimism in the current operations of the Market on the basis that these operations are inevitable as well as beneficial. My concern is to establish the possibility of changing things. I am not an

[417] Timothy Gorringe : *Capital and the Kingdom*. SPCK. London. 1994. p139.
[418] Gorringe, pp140-141.
[419] Gorringe, p167.

> economic determinist and I do not believe that there is no alternative. I believe the possibilities of human freedom are rooted in something deeper and more realistic than the trading activities of human beings. [420]

Having said that, there is little doubt that this is a *theological* book, in that it tackles what Jenkins (rightly) recognizes as a position of faith (in the free market) which brooks no rival. So he says, “A reasonable tradition of arguing about economic theories and economic data in relation to the Market has taken a wrong turn into an applied ideology which has descended into an idolatry. The vast network of market activities….have been transformed into a domineering god on which we are all obliged to be helplessly dependent”. [421] And “the deification of the Market by proponents of the Free Market has become, in principle, as much an ideology as Marxist-Leninism was”. [422] The book is also theological in that what Jenkins sees to be required is a new faith based on a readiness to seek the good of all, rather than of the few. This looks, in fact, like a faith in human beings, which could be described as humanism. The last thing Jenkins wants to do, however, is to replace one ideology with another. Rather he is appealing for a conversation on as wide a scale as possible, with the aim of finding new ways of managing the economy that will spread its benefits more widely. The basis for this he finds (in the spirit of Ronald Preston) in deeply-ingrained convictions which are shared across the whole human spectrum. [423]

What is Jenkins’ understanding of money and its role in the world economy ? In the opening chapter he describes his realization that “the Market is increasingly run by money for money”. [424] In saying this, however, I do not think he is talking about money as such. Rather he is saying that the Market is run by those with money, for the benefit of those with money. In other words, that money is a *tool* used by those who are rich to enable them to become richer. Surprisingly, despite all his railing against the free market, he never rails against money. Without ever saying so, it is almost as though he regards money as a *neutral* element in the economy, neither good or evil – what is wrong (as many others hold) is the way that it is *used*. On the other hand, such a

[420] David Jenkins : *Market Whys and Wherefores*. Continuum. London and New York. 2000. p92.
[421] Jenkins, p7.
[422] Jenkins, p173.
[423] Jenkins, p272.
[424] Jenkins, p4.

devastating attack on the free market as he makes in this book could be interpreted (as I would wish to do) as an acknowledgment of the harm that money does *when left to itself.* He certainly recognizes that money is a critical element in the functioning of the free market. "Its very nature, which operates by money, means that it is less and less likely to respond to messages about real and basic needs. The only individuals who count in a trading transaction model are those with access to money. It is only through money that they can register, even remotely, effective messages as far as the Market is concerned". [425] In addition, if the free market (as he says) is an idol, then it is not a great step to treating uncontrolled money as also an idol.

Conclusions

It is only fair to point out that there have also been examples of Christian writers who have supported the free market system, for all its problems, as the best way of allocating limited resources, encouraging entrepreneurial enterprise etc. [426] Tracking Christian theology across the centuries, however, it is not difficult to see that, for much of the time, there has been great suspicion of any economic system where money has been given free rein. And the chief objection has been to the injustice and inequality it always produces, opening up a division between those with too little money and those with too much. For most of history, governments concerned about this have had to resort to regulations of various kinds in order to restrict injustice, and theologians have encouraged them in it. What this has often done, however, is to obscure the fundamental problem that, wherever money is used, inequalities will inevitably follow. Even Wilkinson and Pickett, in their otherwise brilliant expose of the phenomenon of inequality, only hint that the root of the problem could be in the use of money, when they say "it is hard to escape the conclusion that the high levels (of inequality) in our societies reflect the concentrations of power in our economic institutions" [427] – referring to the stranglehold of governments by a few mammoth companies. Since the de-regulation of the Seventies, the problem has been, for those with eyes to see, much

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[425] Jenkins, p120.

[426] As already stated, notable Christian advocates of this position in recent years have been Michael Novak (Catholic, USA) and Brian Griffiths (Church of England).

[427] Wilkinson and Pickett p249.

more evident than it was before. The crisis that began in 2007 has made it even more clear, so that even academic economists have begun to raise the possibility that the capitalist system needs a fundamental re-formation. The chief purpose of this chapter has been to show the consistent recognition by Christian writers of the injustice created by unrestricted use of money, their diagnosis of its roots and their proposals to counter it. Some of these proposals will be elaborated further in the following chapters.

Chapter Six

MONEY AND VALUE

In the last three chapters I have been dealing primarily with money as a means of exchange and the degree to which money is a satisfactory means of exchange. One of the basic points made in all textbooks about money, however, is that, as well as being a means of exchange, money is also a measure of value and a store of value. It might be considered that such an obvious statement needs little discussion. The question remains how adequately money performs this function, and the purpose of this chapter is to assess the question from the point of view of Christian theology. My conclusion will be that, in fact, the widespread use of money produces a total distortion in what is generally regarded as of value.

When we talk about the "value" of anything, we are talking about how much it means to us, and there is the implication that some things mean more to us than others. The big question, however, is in what way value is to be measured. Is it a subjective matter, to be measured by the strength of our feelings ? Or is there any objective way in which it can be done ? Despite the increasing pressure being exerted in the present capitalist economy, one thing about which Christians have been adamant is that valuation does not have to be in terms of money. Many of the things which we value most – like good relationships, happiness and peace of mind – certainly cannot be valued in such terms. Jesus himself was saying this in relation to participation in his kingdom : "The kingdom of heaven is like a merchant looking for fine pearls. When he found one of great value, he went away and sold everything he had and bought it" (Matthew 13. 45-46). This is wealth which (in the words of A.M. Hunter) "demonetizes all other currencies". [428]

[428] A. M. Hunter : *The Parables Then and Now*. SCM Press. London. 1979. p79.

The same sort of thing can be said of the "values" which form the subject of so much ethical discussion today. Alasdair MacIntyre has described the collapse of the language of virtues in the face of the increasing secularization of society. In its place we now have discussion of the values accepted by individuals, groups or traditions – the moral evaluations that lie at the heart of a world-view or culture, which produce our practical actions. In a pluralist society these values will vary considerably. To understand them is to understand the roots of most of the conflicts in the world. What is certain is that they cannot be expressed in terms of money.

David Cunningham regrets any reference to values in ethical discussion on the grounds that it is too individualistic, and that it finds its ultimate frame of reference in the market place – i.e. that an item that has value is one on which we can put a price. [429] Whilst appreciating his unease, I think he must be answered by pointing out that it is not just individuals that have values, and that it is only pressure in the present capitalist economy that suggests everything has a monetary valuation.

In this sense, therefore, it is helpful to identify (as many writers do) values inherent in the Christian tradition which are constituent of ethical behaviour, which may often differ from those of other traditions and of those prevalent in particular societies. In the Old Testament Torah, one could distinguish the values of solidarity, mercy and justice, and in the New Testament those of self-sacrificial love and service. The Sermon on the Mount, in particular, is often described as a manifesto for the Kingdom of God, which enshrines values that were (and still are) distinctly counter-cultural. Similarly in the Early Church Fathers one can identify the particular values of sharing and generosity. The importance of this, from our point of view, is that such values are impossible to state in money terms, and they will often lead to courses of action strikingly different from those based on monetary valuations. It will be the contention of this chapter that there is a radical inconsistency between the values inherent in the Christian tradition and any system where values are primarily measured in terms of money. I shall look particularly at the contribution of Philip Goodchild.

[429] David Cunningham : *Christian Ethics : The End of the Law.* Routledge. London and New York. 2008. p172.

Value in Terms of Money

In discussing money as a commodity, I have already considered its use as a measure of value, whereby the values of two different commodities can be measured in relation to a third. I have also considered what was realized early on – namely, that, whereas valuation in terms of a third commodity is established by common agreement, this third commodity can also have a value of its own (an "intrinsic" value, as opposed to an "extrinsic" value). I have further appreciated the importance, wherever money is in the form of a commodity, that the intrinsic value of this commodity should be kept as stable as possible. Even here, however, the value of a commodity, established in market exchange and designated in terms of money, can vary greatly in different situations . To take just one example : the same item, presented for sale in one auction room could fetch a very different price from what it might attract in another room.

As already indicated, the major concern of the Christian scholastics in the realm of economics was to consider the factors involved in establishing a "just" price for any item – treating the whole matter as a moral issue. It was one thing, however, to regard this as a moral issue, and another thing altogether to work out how such a price should be reached. For many writers, the just price was simply the current market price. This would be produced by the factors of demand and supply. Some reckoned that prices (especially wages) might sometimes need to be fixed by public authority. What was universally condemned was the creation of monopolies, since these would allow the powerful to take advantage of the weak and the poor. Altogether, despite difficulties of calculation, the scholastics were convinced that, somehow, there was a price that was (morally) right.

Adam Smith argued that there are, in fact, two values for anything – a "real" or "natural" value, and a "nominal" or "market" value. The "real" price of anything, to

Smith, is the toil and trouble of acquiring it, of which the chief element is the cost of labour. " The value of any commodity, therefore, to the person who possesses it, and who means not to use or consume it himself, but to exchange it for other commodities, is equal to the quantity of labour which enables him to purchase or command. Labour, therefore, is the real measure of the exchangeable value of all commodities". [430] On the other hand, Smith recognized that "though labour be the real measure of the exchangeable value of all commodities, it is not that by which their value is commonly estimated", but "it is adjusted...by the "haggling and bargaining of the market"". [431] Part of the difficulty is that gold and silver vary in their value, so that corn might sometimes serve the situation better. He settles , however, for the idea that "labour...is the only universal as well as the only accurate measure of value". [432] He eventually concludes, "When the price of any commodity is neither more nor less than what is sufficient to pay the rent of the land, the wages of the labour, and the profits of the stock employed in raising, preparing, and bringing it to market, according to their natural rates, the commodity is then sold for what may be called its natural price". [433] The "market" price, however, "is regulated by the proportion between the quantity which is actually brought to market, and the demand of those who are willing to pay the natural price of the commodity". [434] Significantly, perhaps, Smith merely describes this distinction without making any judgements on it.

In a similar vein, Karl Marx made his distinction between "use value" and "exchange value". [435] Like Smith, Marx places great store on the labour involved in production and distribution, and describes use value as having value "because abstract human labour is objectified or materialized in it". [436] The same is true of exchange value. The difference, however, is that it is always exchange value that is met with in market exchanges. "If commodities could speak, they would say this : our use value may interest men, but it does not belong to us as objects. What does belong to us as objects, however, is our value. Our own intercourse as commodities proves it. We

[430] Adam Smith : *Wealth of Nations*. Book 1. Chap 5. p133.
[431] Adam Smith, p134.
[432] Adam Smith, pp139-140.
[433] Adam Smith, p158.
[434] Adam Smith, p158.
[435] Karl Marx : *Capital*. Book 1. Chap 1. p126.
[436] Marx, p129.

relate to each other merely as exchange values". [437] And these have come to be expressed in terms of another commodity, the universal equivalent (i.e. money). [438]

As already indicated, Marx was restricted by his identification of money with a physical commodity. He, therefore, has to say, "As measure of value, and as standard of price, money performs two quite different functions. It is the measure of value as the social incarnation of human labour ; it is the standard of price as a quantity of metal with a fixed weight" [439] – so that he has to make allowances for the fact that the value of this metal may vary from time to time. He also has (for us) what is sometimes called a "transformation problem", in that he is never able to explain exactly how particular amounts of labour congeal into a particular price. This is the weakness of any labour theory of value. But this does not seem to trouble him. He is far more interested in his conviction that the money value that emerges from transactions symbolizes the social relations involved in production and distribution (not least the relations between labour and capital) – to which I shall turn in a later chapter.

Marx appreciates that things which are not normally considered as commodities (of which he mentions conscience and honour) can be offered for sale by their holders. "Hence a thing can, formally speaking, have a price without having a value (because no labour has been spent on it)". [440] And then, "Everything, commodity or not, is convertible into money. Everything becomes saleable and purchasable. Circulation becomes the great social retort into which everything is thrown, to come out again as the money crystal. Nothing is immune from this alchemy, the bones of the saints cannot withstand it". [441]

[437] Marx, pp176-177.
[438] Marx. Chap 2. p180.
[439] Marx. Chap 3. p192.
[440] Marx. p197.
[441] Marx. p229.

Money as the Measure of All Value

This leads on to what has concerned philosophers, sociologists and theologians since that time – namely the way in which money value has increasingly come to displace all other measures of value. So Georg Simmel (in 1912), describing money as the perfect example of a tool (in that it exists purely for the purpose of exchange) and a means to an end (the accomplishment of exchanges), describes it also as "the most extreme example of a means becoming an end". [442] As such (as we shall see in the next chapter) it becomes the supreme object of desire, and "possesses a significant relationship to the notion of a god – a relationship that only psychology, which has the privilege of being unable to commit blasphemy (!), may disclose". [443] Simmel also underlines something that has been increasingly realized since – that "one of the major tendencies of life – the reduction of quality to quantity – achieves its highest and uniquely perfect representation in money". [444]

In recent years, this has been recognized by a number of writers. Craig Gay, in his appropriately-titled *Cash Values*, says, "I want to argue that our pervasive use of, and increasing reliance upon, the tool we call "money" – the very tool that capitalism has put to such good use – has indeed subtly altered our interests and the things we think about. It has also subtly altered our symbols and the things we think with. Finally, it has subtly altered our communities and the forums in which our thoughts develop". [445] "Money Metric's relentless reduction of quality to quantity....hollows out our entire world view, depriving us of any sense that life is inherently meaningful and that it has been endowed with qualities that far transcend monetary valuation". [446] Nick Spencer, in another appropriately-titled book, *The Measure of All Things ?* (2003), lists a number of particular problems that this produces : first that many of the things which actually make us happy cannot be bought with money [447]; second, that, when money becomes the yardstick for value, all other measures are invariably displaced,

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[442] Georg Simmel : *A Philosophy of Money*. p232.
[443] Simmel, p236.
[444] Simmel, p280.
[445] Craig Gay : *Cash Values*. William B. Eerdmans Publishing Company. Grand Rapids, Michigan. 2003. p59.
[446] Gay, p72.
[447] Nick Spencer *: The Measure of All Things ?* Jubilee Centre. Cambridge. 2003. pp20-22.

and anything that doesn't make money is regarded as of questionable worth. [448] This he illustrates in relation to the unprecedented encroaching of commercial interests on public space [449], the danger of political decisions being made on the basis of money [450], and the normal tendency of consumers to purchase items on the basis of price rather than quality or the principles behind their manufacture [451]. In line with the particular emphasis of the Jubilee Centre, however, Spencer reckons that the most corrosive effect of valuing everything in terms of money is on our relationships with one another, in that relationships come to be based on financial criteria – resulting in the contractualization of relationships and the litigation culture. Indeed the individual person can even come to be evaluated according to how much money they have (rather than the sort of person they are), which can lead to a feeling of worthlessness in the poor, or a desperate desire to get money at all costs .[452] Our ultimate goal, he says, should be "relationships governed by trust rather than financially mediated contracts; public space for the public rather than for consumers; media which are motivated to experiment, shun sensationalism and engage in serious debate, rather than simply chase ratings; and product manufacturers and consumers for whom ethical concerns are at least as important as price considerations". [453]

Catherine Cowley takes it all one step further when she says, in relation to the idolatrous position that money has taken in western society, that "a mature economy not only facilitates but perhaps even *requires* (my italics) that idolatrous attitude". [454] Unfortunately she doesn't develop this idea any further – except to say that, if this is the case, some of the criticisms that have been made of capitalism (as opposed, for instance, to command economies) may have been aiming at the wrong target, because the problem lies in the way that money operates in *any* economic system. [455] This suggests that, however much anyone might be unhappy about it, everyone involved in the use of money is in slavery to it – that, day by day, in ordinary financial transactions,

[448] Spencer, pp22-24.
[449] Spencer, pp24-25.
[450] Spencer, pp25-26.
[451] Spencer, p26.
[452] Spencer, pp26-27.
[453] Spencer, p31.
[454] Catherine Cowley : *The Value of Money*. p103.
[455] Cowley, pp103-104.

we are all tolerating or accepting the values that money puts on everything. I shall return to this question in my treatment of power.

Seeking a Better Means of Valuation

In a series of publications Philip Goodchild has developed the thesis that an alternative source of valuation is required if money is to be redeemed (*Capitalism and Religion : The Price of Piety*[456], *Capital and Kingdom : An Eschatological Ontology*[457], *Theology of Money*[458]). Goodchild argues that the most recent book is the first attempt ever made to make a thorough investigation of the phenomenon of money from a theological point of view.[459]

Already, in his first treatment, Goodchild has identified the dramatic change that takes place with the introduction of money. "Money, opening out on to time, splits the identity of the acts of buying and selling found in barter, allowing money to function as a temporal reserve – value increases in the interval".[460] It is this time interval that allows for the possibility of speculation and that money will be valued for its own sake. In fact, the rate of increase in money (capital) becomes the most significant feature in a free market system. "Being temporal, that is, measuring itself by its rate of increase, it (capital) institutes an ontological shift from a world of being to a world of becoming.

[456] Philip Goodchild : *Capitalism and Religion : The Price of Piety*. Routledge. London and New York. 2002.

[457] Philip Goodc hild : *Capital and Kingdom : An Eschatological Ontology*, in eds. Creston Davis, John Milbank and Slavoj Zizek : *Theology and the Political*. Grace University Press. Durham and London. 2005.

[458] Philip Goodchild : *Theology of Money*. SCM Press. London. 2007.

[459] "A true theology of money, a systematic inquiry into the force of money as a system for universal evaluation, has perhaps never before been undertaken. The history of Christian reflection on money is of limited service here in so far as it concentrates upon subjective attitudes towards wealth" *(Theology*, p15). At the same time he does pay tribute to the Doctrine Commission's *Being Human.*

[460] Goodchild : *Capitalism*, p128.

For that which has value is that from which profit can be extracted". [461] All other considerations (ethical, cultural, natural) thus become irrelevant to the question of value. "Capital only pays attention to culture and nature in so far as they lend themselves to commodification and wealth creation". [462] It is not necessary that money should have this role. It depends on the economic system that is accepted. It is perfectly possible to imagine a system where money is not the measure of all values. But in the contemporary capitalist system, especially because of its self-regulating character, there is nothing more valuable than time and money. "They express an active power by forcing themselves upon us". [463]

The most extended treatment of the subject, however, is to be found in *Theology of Money*. The key to Goodchild's whole argument lies in his appreciation of money as "the value of all values". "Money posits itself as the universal, the supreme value, and the means of access to all other values. At the same time, money becomes a kind of encompassing membrane that determines what will be counted as valuable". [464] Even land is only valuable to the extent that it is valued in terms of money and can be changed into money. [465] The whole direction of movement in the economy is, in fact, to give monetary value to all possible items, including items (like water) previously thought to be common property, and also so-called "intellectual property". In this way, non-market economies are treated as belonging to a different order of reality. Such economies are only recognized insofar as they accept the use of money according to the rules of the capitalist system.

Goodchild's contention is that, instead of allowing exchange value to be the only measure of value, "political economy should be primarily concerned with the distribution of nutrition and time". [466] In this connection, he obviously has sympathy with the labour theory of value of Smith and Marx, but maintains "this is no longer credible when most energy for work is provided by fossil and nuclear fuels rather than

[461] Goodchild: *Capitalism,* p129.
[462] Goodchild : *Capitalism,* p129.
[463] Goodchild : *Capitalism*, p133.
[464] Goodchild : *Theology*, p.60.
[465] Goodchild : *Theology,* pp41-42.
[466] Goodchild : *Theology*, p138.

human labour". [467] By way of contrast, he refers to the informal economy where money has little influence. "Private profit operates as an effective drain upon an economy". [468] Speculation, in particular, draws money away from the productive economy. Boldly he says, "The principal obstacle to the prudent investment of nutrition is the state's defence of the right to private property over and above demands for nutrition...similarly, the principal obstacle to the prudent distribution of attention is the moral legitimation of self-interest". [469]

The problem, from the point of view of ethics, is that a money economy, if it is not regulated, is strictly amoral. It takes no account of human needs or human well-being, let alone the well-being of the cosmos. As propounded by Adam Smith, the capitalist economy operates on the basis of self-interest. In practice, people can operate from time to time with different motivations, but, once money has been allowed to take the role that it has been allowed to take in recent years, self-interest and the making of profit become the dominant factors. "The absolute claim to private property, the absolute precedence of self-interest, and the absolute claim of the state to the monopoly of violence all derive from the structure of absolution embodied in money". [470] There would be the possibility of escape if legislation could be produced to limit the power of money. However, "the option of sovereign legislation presupposes that sovereign action remains possible in spite of the threat of capital flight. It also assumes the formation of public consciousness on the basis of truth and justice, given the capitalist domination of the media and educational institutions". [471]

Ultimately, what is required is that the true source of evaluations be found, not in money, but in God. "The alternative to this idolatry (of money) is to declare that God is the True, the Good and the Life. In this case, one takes one's orientation within the fields of knowledge, ethics and temporal experience from God". [472] And he summarizes the contrast like this :-

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[467] Goodchild : *Theology*. p139
[468] Goodchild : *Theology*. pp158-159.
[469] Goodchild : *Theology*. p161.
[470] Goodchild : *Theology*. p164.
[471] Goodchild : *Theology*. p134.
[472] Goodchild : *Theology*. p208.

> God and money are competing sources of credit. Each seeks to determine the value of values. Yet where God is presumed to have created the world as it is, money presumes to transform the world by dismantling and exhausting it, if necessary, in order to generate profits and repay debts. Where God presides over a world understood in terms of being or eternal forms, money presides over a world understood in terms of becoming or perpetual creative destruction. Where God embodies the moral virtue of generosity or grace, money embodies the moral virtue of honouring one's contracts and paying one's dues. [473]

Putting it another way, "Money is inherently theological because it is a source of the value of values…..Where God may only serve as a basis for common consent and action for all those who truly believe, money may serve as a basis for common consent and action for those who share no belief apart from the efficacy of money. As the means of access to all other goals produced by collective action, money posits itself as the supreme value. It therefore evacuates all other values of significance and effectivity". [474] And he is not optimistic that this polarization can be broken by any kind of legislation, even if legislation can mitigate some of the worst effects of money's dominance. "For money is the source of the prosperity and power of any state; the modern state cannot exist without money…..Likewise, it is insufficient to denounce the illusions of global capitalism in the name of values grounded in life, health and sustainability….. it will be necessary to draw upon the theology of money to revise and deepen our understanding of theology, politics and even of reason itself". [475]

And so Goodchild comes back continually to the need to find some other way of evaluating values than the money evaluations given in the present money economy. "For economic behaviour to change fundamentally, it is necessary to develop new mechanisms for distributing attention and imagination..... Excessive attention to prices and excessive imagination of economic opportunities and threats may lead to a mode of behaviour that is unable to be receptive to that which matters". [476] In particular, this means looking for a different kind of credit. As the money economy has been created by human beings, he considers, however difficult it may be, "there is nothing to prevent the invention of new forms of credit, contract and exchange…..(1)

[473] Goodchild : *Theology*. pp214-215.
[474] Goodchild : *Theology.* pp222-223.
[475] Goodchild : *Theology.* pp223-224.
[476] Goodchild: *Theology.* p189.

Credit must be given to that which is worthy of credit….(2) The conflicting needs of sustainability and profit must be recognized….(3) The divorce between the secular and the religious, between attending to treasure on earth and attending to treasure in heaven must be overcome…Both material conditions of production and spiritual conditions of credit must replace the sovereignty of the self-reflective subject as the focus of attention". [477]

He leaves to non-theologians the task of discovering what institutions might need to be created for the making and implementing of new evaluations. For all their usefulness, he reckons that the various proposals made by many up till now for the creation of alternative currencies (such as Local Exchange Trading Schemes) have not actually addressed the root problem of the power of the money with which they have to compete. [478] Obviously, this is a colossal problem. On the other hand, until the problem is tackled, the world will continue to be subject to the imbalances and tyranny of the present system. Very tentatively, he suggests the need for a secondary tier of the economy concerned solely with the production and distribution of effective valuations. His hope would be that a time will come "when evaluative credits bear sufficient credit to count on their own merits, without being backed by a determinate reserve of hard monetary income". [479]

In terms of practical strategies for reforming money, the suggestions of Major Clifford Douglas in the early 20th. Century remain significant. He advocated that all new money should be created by the state as credit to the whole community in the form of a "national dividend" payable to every citizen, on the basis of the claim which all could make to share in the common cultural heritage on which production was based. Producers would then sell their products at cost price (free of profit) and be compensated by credits allocated to them by the community. [480] It is not difficult to see that this puts the control of the economy in the hands of consumers (all

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[477] Goodchild : *Theology.* pp242-243.
[478] Goodchild *: Theology*. p217 (note).
[479] Goodchild *: Theology*. p253.
[480] Clifford H. Douglas : *Social Credit.* Eyre and Spottiswood. London. 1934. A detailed assessment of Douglas' ideas is to be found in Frances Hutchinson and Brian Burkitt : *The Political Economy of Social Credit and Guild Socialism*. Jon Carpenter Publishing. Charlbury. 2005.

consumers) rather than in the hands of a few producers or a few financiers , and could lead to a much more equitable distribution of resources, the use of resources to meet general needs rather than luxuries for the more affluent (or even useless items that advertisers can persuade all classes of people to buy) – as well as providing a means for conserving the resources of the planet (rather than the exploitation which can result from the domination of the profit motive). These proposals were very popular in the 1930s – and were even put into practice for a while in Alberta – but always encountered opposition from banks and from economists. From our present point of view, a major fruit of Douglas' proposals would have been to make money valuations much nearer to social value. Fortunately, there are still those who are bending their minds to the problem. Richard Douthwaite (as we have already seen) has advocated the creation of an international currency (free of interest) based on units of energy to try and restrict growth to what is socially beneficial. Some of the latest proposals are those of Thomas Greco. Arguing that it is vital (for all the reasons already given) that a currency should not itself be a measure of value, but should serve only to facilitate the exchange of goods and services, Greco posits the creation of an independent (but objective) unit of account in terms of a basket of commodities, which should be (1) traded in one or more relatively free markets (2) important in world trade (3) important in satisfying basic human needs (4) relatively stable in price (in real terms) over time, and (5) uniform in quality. [481]

Probably Goodchild is right that the baton has to be taken up by politicians and economists who are aware of the change of direction that is required – spurred on, one would hope, by voters with a similar awareness. My chief doubts, however, concern the plausibility of all proposals for the creation of a new kind of credit, either in place of money, or alongside it (except in very limited areas). In my own opinion, a far more plausible solution (in the first instance) could be found in a re-assertion of the authority of national governments (and the invention of some kind of supra-national authority) to legislate for the control of money. There have been signs of progress on this in the aftermath of the crisis that began in 2007 – in discussions by the G20 nations and in Barack Obama's attempts to control the US banks – but it may take a lot more conviction (which may not come about, unfortunately, until there is a total

[481] Thomas Greco. Appendix B. pp275-277.

collapse of the system) before we approach the drastic change that is actually required. What Goodchild has demonstrated is the extent to which theological thinking can analyse the real nature of money, and, therefore, the kind of steps which have to be taken in reforming it. He is surely right in saying that "any effective theology …must become capable of measuring *all other* values (my italics)" [482]. He also makes a strong plea for the co-ordination of efforts at reform : "Any effective theology, while imposing its own demands, must provide an effective basis for co-operation with other demands. Instead of attempting to possess all time, attention and devotion, divine power consists in the co-ordination and orientation of other powers so that the same time may attend to a range of demands. Such is the true meaning of efficiency. Such is the true meaning of mercy. Such is the true meaning of redemption". [483]

Such efforts might involve the proposals of writers like Nick Spencer, for instance, in terms of mandatory relational audits for all organizations over a certain size; regional banks; new currencies; serious reconsideration of the practice of lending at interest; challenging limited liability; and tax incentives focused on helping secure, robust, long-term relationships. [484] The New Economics Foundation, which has been in the forefront of attempts to chart the form of an alternative economy, advocates a process of "transition", the aim of which would be to build individual, social and environmental value. This is in contrast with the value that is measured in Gross Domestic Product, which they claim "is ultimately perverse", as it only measures things which can be counted (including prisons, pollution and weapons), rather than things that matter (such as caring and friendships). The first stage of this would be "The Great Revaluing", in which new measures of well-being (similar to the Human Development Index of the United Nations, or the Index of Sustainable Economic Welfare produced by Daly and Cobb) would be accepted, and then used to assess projects and programmes. "In the Great Transition, this socially defined concept of value is placed at the centre of decision-making and progress towards it is measured. In public policy, achievement of such value would be instituted as the central goal". [485] In the private sector businesses would be required to take full account of the costs of any (including

[482] Goodchild : *Theology*. p261.
[483] Goodchild : *Theology*. p262.
[484] Spencer, pp39-41.
[485] New Economics Foundation : *The Great Transition*. London. 2009. p39.

unintended) consequences. "Through intelligent use of the tax system, the price paid by the final consumer would be aligned with real value". [486] We are already seeing the beginnings of this in the idea of carbon pricing.

The Theological Agenda

What are the values that need to be promoted in place of valuation in terms of money ? Following through the scriptures of the Old and New Testaments, there is asserted, right at the beginning, the integrity (goodness) of creation, and in Genesis 2.15 that man was put in the Garden of Eden "to work it and take care of it" (NIV) – not just to "fill the earth and subdue it" (Genesis 1.28). In the Torah, I have already shown that the whole object seems to be to create a society where economic resources are shared, so that those who might otherwise be destitute are enabled to have the necessities of life (and a lot more). N. Lohfink says, "Economic change was an essential element of the whole process. The rule of the new God was accomplished, not exclusively of course, but still in a very decisive way, in a new kind of human economy. The (Old Testament) Bible shows us the beginning of the kingdom of God. As its history continued, Israel fell short again and again of the standards set at the beginning. Again and again God brought it back and led it along the way towards the definitive revelation of the kingdom of God, above all through the prophets". [487] The establishment of a central government is initially resisted (1 Samuel 8), but is then accepted on the understanding that it is subject to the ultimate government of God and that it rules in the interests of the people (1 Samuel 10.25). So the General Synod report, *Being Human*, summarizes, "The purpose of economic life (in the Torah) does not relate primarily to the perceived good of those who may capitalize on it in some way; rather, it is for the flourishing of the community. Economic life is thus subordinated to the human flourishing in the covenant community". [488] In the New

[486] New Economics Foundation, p39.

[487] N. Lohfink : *Das Judische am Christentum – Die Velorene Dimension (The Jewish Element in Christianity).* Herder. Freiberg/Basel/Wien. 1993. pp109-110. English translation. Quoted in Duchrow *: Alternatives. p14.*

[488] *Being Human*. p69.

Testament, all this is universalized, so that each person is to love their neighbour as themselves – or, as Duchrow puts it, “mutual service”. [489]

The problem, throughout Christian history, has been to turn such basic values into prescriptions for practical action. One recent attempt can be seen in the “middle axiom” philosophy pursued by a number of British writers during the Twentieth Century – in particular by Ronald Preston. The phrase “middle axiom” was coined by J.H. Oldham, the veteran ecumenical statesman, in the preparatory volume for the Oxford Conference of 1937 : “Between purely general statements of the ethical demands of the gospel and the decisions that have to be made in concrete situations there is need for what may be described as middle axioms”. [490] Brought up in the tradition of Temple and Tawney, Preston’s socialism was diluted by his pragmatic approach and his desire to give scope to the expertise of professional economists. His ideal situation was that a group of experts from different disciplines should work on a project together (as came increasingly to be the case in the Church of England and in the World Council of Churches). Preston sets out his case as follows : “Once it is clear that we cannot proceed directly from the Christian tradition, whether the Bible or Natural Law or Systematic Theology, to conclusions in the spheres of various specialist studies, in this case economics, industry and politics, there is no escape from coming to grips with the empirical data in those fields and mastering the various intellectual disciplines needed to cope with them; the moral theologian cannot do so on the basis of his discipline alone. Ideally, this is a co-operative enterprise, an inter-disciplinary one”. [491] In the realm of economics, he never failed to emphasize that the basic question (whatever your religious or ethical beliefs) was “how to allocate scarce resources which can enter into the economic system and which have alternative uses…..it is a study of this problem which makes economics autonomous”. [492] This did not mean, however, that there was no role for the Christian moralist. With regard to capitalism, for instance, he wrote “ An individualist and hedonistic outlook is not a

[489] Duchrow *: Alternatives*. p186.

[490] W. A. Visser ‘t Hooft and J. H. Oldham *: The Church and Its Function in Society*, in *The Churches Survey Their Task (*The Report of the Conference on Church, Community and State). Oxford. 1937. p210.

[491] R. H. Preston : *Religion and the Persistence of Capitalism*. SCM Press. London. 1979. p22.

[492] Preston, p24.

sufficient basis for any society. This was ignored by classical capitalism, and its laissez-faire view is its most serious and fundamental defect”. [493]

Generally speaking, for Preston, the role of the Christian moralist was to seek out principles (middle axioms) to be fed into the general discussion. Only rarely did he consider that Christians could make definite pronouncements on moral issues (as the General Synod did on battlefield nuclear weapons). Otherwise, it was the role of government to decide what was for the common good, taking into account all the varying advice it received. The particular considerations that a Christian critique could contribute were summarized in an important passage in his *Religion and the Persistence of Capitalism* :-

> 1. A concern for the poor and unprivileged….
> 2. A conviction that the basic equality of all men in the sight of God, and the belief that Christ died for all, is more fundamental than the things in which they are unequal…..
> 3. The Christian understanding of man sees that his dignity requires that he should participate in decisions which affect him as a worker and a citizen, and his sinfulness requires that there should be checks on the abuse of power…..
> 4. The Christian doctrine of the state emphasizes not only its negative role of restraining disorder but its positive role of creating and encouraging social institutions, structures and conventions which facilitate rather than hinder the living of the good life. [494]

The process of searching for middle axioms he defended particularly in Appendix 2 to *Church and Society in the Late Twentieth Century : The Economic and Political Task*. One thing about which he is clear is that they “cannot be forced into the structure of ethical prescriptivism…Ethics is not a precise discipline. Absolute certainty in it is rare. As Christians we follow an ethical pilgrimage with patience and perseverance, sustained by faith, hope and love”. [495] The main middle axioms are, for Preston, very general concepts like *agape,* freedom, social fellowship, service, equality, justice, concern for the poor (or even “the responsible society” or “the just, participatory and

[493] Preston, p40.
[494] Preston, pp48-49.
[495] R. H. Preston : *Church and Society in the Late Twentieth Century : The Economic and Political Task.* SCM Press. London. 1983. p146.

sustainable society"). [496] There is then, however, a further stage, where an attempt is made to get closer to particular situations, and this involves getting at "the facts" to find out "what is going on" [497], but Preston is realistic enough to recognize that this attempt will not always be successful – facts are "slippery things", different accounts may be given of the relevant facts, experts can sometimes be mistaken, different conclusions may be drawn by different people. "There is no suggestion that it will always be possible (to find middle axioms); merely that it is important to try". [498]

Preston acknowledged criticisms of this approach, particularly by Duncan Forrester, which emanate from liberation theology and from more conservative theology – that the approach is elitist, that it springs "from an ivory tower misunderstanding of theology" [499], and that the church should be able more often to ally itself with a detailed policy option. An interesting attempt to cut this Gordian knot is to be found in the movement to find a "global ethic" highlighted in the Declaration *Toward A Global Ethic* by the Parliament of the World's Religions (1993). Several sections of this declaration go back to the Ten Commandments as "directives" in "the great religious and ethical traditions of mankind". [500] One section of the declaration covers "commitment to a culture of solidarity and a just economic order" and is based on the Seventh Commandment, "You shall not steal" . [501] On this basis it is claimed that "in the developed countries, a distinction must be made between necessary and limitless consumption, between socially beneficial and unjustified uses of natural resources, and between a profit-only and a socially beneficial and ecologically oriented market economy". [502] These are noble aspirations. What is not stated, unfortunately, is how the Seventh Commandment can be said to have all these implications. There is an implied suggestion that a free-market economy is inconsistent with the commandment, but this is not specifically related to any theology of money.

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[496] *Church and Society*, p148
[497] *Church and Society*, p149
[498] *Church and Society*, p150
[499] *Church and Society*, p153.
[500] Ed. Hans Kung : *Yes to a Global Ethic*. English edition. SCM Press. London. 1995. p18.
[501] Kung, p20.
[502] Kung, p21.

Recent writers have been more positive than Preston that specifically Christian principles should be proclaimed rather than added to the melting pot of secular ideas. So Stanley Hauerwas, for instance, praises the strong words of Pope John Paul II's encyclical, *Centesimus Annus* (1991). [503] Hauerwas has to admit, however, the inadequacy of the way that papal encyclicals have always been written "at a generalized level that makes their pronouncements seem platitudinous and/or irrelevant for policy decision". [504] The most effective work in this area in the last ten years has probably been that of the New Economics Foundation – but, for the most part, without stating specific Christian principles. So Ann Pettifor wrote *The Coming First World Debt Crisis* "to make the case that western societies have to revive moral standards and set clear *ethical* benchmarks by which to regulate credit and debt, and to rein in the finance sector". [505] She did assert that "it is particularly important that Christian leaders should once again take up the cudgels against usury" [506], but then proceeded without further religious reference.

All this serves to highlight the on-going problem in Christian social ethics as to how it is possible to create a theology which is recognizably Christian, and yet is able to influence public policy. The dilemma is well stated by Malcolm Brown in his book *Tensions in Christian Ethics* (2010) :-

> Are we to be caught forever between the risk of theological vacuity associated with liberal ethics, and the insularity of a Church which treats its ethics as incomprehensible to outsiders, with only strident assertion of an authoritarian political programme as a third way ? In other words, is there a coherent way of bringing together liberalism's commitment to dialogue and contingency (which reflects a concern to keep the theological interim in view) and communitarianism's deep engagement with the Christian tradition in all its surprising uniqueness ? [507]

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[503] Stanley Hauerwas : In Praise of *Centesimus Annus*, in Theology. Vol 95. Nov/Dec 1992. pp416-432.
[504] Hauerwas : p416.
[505] Ann Pettifor : *The Coming First World Debt Crisis*. Palgrave Macmillan. Basingstoke. 2006. p13.
[506] Pettifor, p14.
[507] Malcolm Brown : *Tensions in Christian Ethics*. SPCK. London. 2010. p120.

His own conclusion is what he calls “a juggling act” in which the two approaches act as correctives to each other. [508] In practice he considers that public theology will probably be marked by provisional alliances rather than positions unique to Christians. “It acknowledges our membership of overlapping communities but seeks an authentic integrity rather than a piecemeal ethical mobility”. [509]

In the last few years we have got used to the idea of “values” – that every group or tradition has a number of core beliefs that determine accepted behaviour. Gradually it has been appreciated that the problem with “Christian values” is that they may often be in conflict with the values of the total community within which Christians live. If this is true anywhere, it must be true of the economic realm, dominated as it is in these days by the values of the free market. In advocating such values, Christians may not necessarily expect to convince all their hearers, but that doesn’t mean that they should keep quiet, and, if their contribution is made in a sensitive way, they may find themselves touching notes that resonate with people of quite different philosophies. [510] Any future economic system influenced by Christian values is bound to look very different from the economy of today, and Christian values certainly have much to contribute to the re-formation of money which is so much needed. In particular, it is vital that we move beyond the situation where monetary value is a dominant element.

In the next chapter I move to consider how, when money is the measure of all value, it becomes the chief focus of desire.

[508] Brown, p134.
[509] Brown, p132.
[510] As in Nigel Biggar : “*God” in Public Reason*, Studies in Christian Ethics. Vol.19 (1), 2006. pp9-19.

Chapter Seven

MONEY AND DESIRE

Continuing to look at money from different points of view, I turn in this chapter to look at money in relation to desire – a relationship rarely considered by those with a positive view of money. The conclusion will be that money, left uncontrolled, functions as a potent attraction for selfish desire and, therefore, counterproductive to the general welfare of society.

Desire, in the sense of longing after what you do not at present possess, is obviously one of the great motivators of human action, almost on a par with the instinct for self-preservation. It could be said that it has led to much of human progress. In the New Testament, the Greek word *epithumia* expresses any intense longing, which is only condemned if it is misdirected or excessive. [511] In the majority of its occurrences, however, it carries a negative connotation – i.e. with the meaning of evil desire or lust. The danger of this kind of desire has been appreciated (probably) in all cultures and in every stage of human history. E.F. Schumacher, for instance, in a discussion of Buddhist economics, says that "the Buddhist sees the essence of civilization not in a multiplication of wants, but in the purification of the human character". [512] From this viewpoint, selfish desire is the most dangerous motivation in the human heart, and it is possible to view the whole purpose of the Buddhist religion as an attempt to control it.

In recent years the philosopher Gilles Deleuze (along with the psychotherapist Felix Guattari) has written extensively on the subject of desire, considering that the whole of life can be conceived as flows of desire. In relation to organised society, he says "We maintain that the social field is immediately invested by desire, that it is the historically

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[511] Kenneth Grayston, in ed. Alan Richardson : *Theological Word Book of the Bible*. SCM Press. London. 1957. p64.

[512] E. F. Schumacher : *Small Is Beautiful.* Sphere Books Ltd. London. 1974. p46.

determined product of desire...There is only desire and the social, and nothing else".[513] Any given society is an assemblage of desire arranged in a particular way. Nevertheless, desire is impossible to contain completely and is always liable to break free. Thus Deleuze describes the way in which the "primitive territorial machine" has not, in most places, been able to contain all flows of desire, but been replaced in many areas by the "despotic machine".[514] And, where this has not been able to control all desire, it has been replaced by state-forms of different kinds which, while not exercising despotic control, have sought to control it by other methods of organization.[515]

For our purposes, however, the particular interest of Deleuze's writing is his characterization of capitalism as a new kind of society (a "social axiomatic") not dependent on any particular geographical area and potentially destructive of all existing states. He says, "Capitalism is, in fact, born of the encounter of two sorts of flows : the decoded flows of production in the form of money-capital, and the decoded flows of labour in the form of the free worker".[516] He draws particular attention to the "profound dissimulation" created by the apparent equivalence of exchange-money and the new "credit money" (that created by banks).[517] His description of the triumph of capitalism is of the "capture" of numerous flows of desire, and capitalism itself as a general axiomatic of decoded flows.[518] The states whose power is attacked in this way do not necessarily cease to exist. Rather, they "change form and take on a new meaning : models of realization for a world-wide axiomatic that exceeds them.[519] Capitalism reigns supreme; but even capitalism is not necessarily able to contain all desire. Its greatest strength, perhaps, is its ability to change its form continually. Less generously, Deleuze refers continually to capitalism as madness, a form of schizophrenia. "Everything is rational in capitalism, except capital or capitalism itself...Down below there are desires...an enormous flux, all kinds of libidinal-

[513] Gilles Deleuze and Felix Guattari : *Anti-Oedipus : Capitalism and Schizophrenia.* The Athlone Press. London. 2000. p29.
[514] *Anti-Oedipus*, pp192 ff.
[515] Gilles Deleuze and Felix Guattari : *A Thousand Plateaus : Capitalism and Schizophrenia.* University of Minnesota Press, Minnesota. 1987. pp448-452.
[516] *A Thousand Plateaus*, p452.
[517] *Anti-Oedipus*, p229.
[518] *A Thousand Plateaus*, p453.
[519] *A Thousand Plateaus,* p454.

unconscious flows that make up the delirium of this society”. [520] In other words, for all its power, capitalism is fundamentally unstable – and (from his political point of view) there is always the possibility of revolution.

Desire and Christian Thinking

I turn now to Christian accounts of desire. In the third chapter of the book of Genesis, devoted to what is sometimes called “The Fall”, the text seeks to demonstrate how (apart from the Devil) it was desire that was the cause of the original separation of human beings from God. [521] If one takes the passage as myth (which I do), the message could be that this continues to be true, and thus the cause of many of the troubles experienced by both women [522] and men [523]. There is then great significance in the fact that the last of the Ten Commandments of Judaism is devoted to coveting, or desiring that which belongs rightfully to another (Exodus 20.17). While the previous nine commandments are exhortations to different kinds of conduct (or to abstaining from different kinds of conduct), the tenth goes behind conduct to the psychological impulses of desire. Throughout the Old Testament literature (and especially in the prophets) there are many exhortations to avoid coveting that which belongs to someone else. The stoning of Achan after the battle of Jericho is attributed to his coveting what belonged to God (Joshua 7.21) – the severity of the punishment indicating a fear of what might happen if looting got out of control. Desire for dishonest gain is condemned in Proverbs 28.16 and Jeremiah 6.13.

In the New Testament, desire is clearly designated as one of the chief motivators of human activity. Jesus is not interested so much in actions as in their motivations. In his Beatitudes – which take the place in his Sermon on the Mount occupied by the Ten

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[520] Gilles Deleuze and Felix Guattari : *Capitalism : A Very Special Delirium*, in ed. Sylvere Cothringer : *Chaosophy*. Autonomedia/Semiotexte. 1995.

[521] “When the woman saw that the fruit of the tree was good for food and pleasing to the eye, and also desirable for gaining wisdom, she took some and ate it. She also gave some to her husband, and he ate it” (Genesis 3.6).

[522] Genesis 3.16.

[523] Genesis 3. 17-19.

Commandments in "The Book of the Covenant" (Exodus 20 -23) – the blessed are those who exhibit certain attributes, rather than those who live according to certain laws. So, for instance, "Blessed are those who hunger and thirst after righteousness" (Matthew 5.6) – those with a certain motivation rather than those who observe certain laws. Throughout his ministry Jesus is combating the legalism exhibited especially by the Pharisees, whom he condemns, not so much for what they were doing, as for the motivations of their hearts. The Commandments themselves are summarized in terms of love to God and neighbour (Matthew 22. 37-40). In Mark 7. 1-23 Jesus points to the attitudes resident in the heart as what make a person unclean – amongst which he includes greed and envy. In Matthew 6. 19-21 he talks of storing up treasures in heaven in preference to treasures on earth – "for where your treasure is, there your heart will be also".

This emphasis is then taken up by the writers of the New Testament letters, where the control of evil desires is seen as one of the chief ways to right living. "Put to death, therefore, whatever belongs to your earthly nature......evil desires and greed, which is idolatry" (Colossians 3.5). "People who want to get rich fall into temptation and a trap and into many foolish and harmful desires that plunge men into ruin and destruction" (1 Timothy 6.9).

In the meantime there had developed a parallel discussion of desire in the works of the Greek philosophers, and especially Aristotle. Aristotle defines desire as "a form of appetite". [524] Such an appetite is not necessarily to be regarded negatively. In fact, to desire what is good is the means by which humanity makes progress. It is to be regarded negatively when it is indulged to excess. Because the desires of the human heart are infinite, therefore, they have to be curbed. This thinking was taken into Christianity by Augustine, and later by the Scholastics. So, in the teaching of Aquinas, "the affective part of our souls is moved towards an attractive object; and the satisfying of desire is joy". [525] Gorringe observes that "the point of both the Greek and the Christian traditions is that desire may be energy, but it is not undifferentiated. It

[524] Aristotle : *On The Soul*. para 10.

[525] Aquinas : *Summa Theologica*. Part One. Second Part. 26.2 – as summarized in T.J. Gorringe : *The Education of Desire*. SCM Press. London. 2001. p89.

requires distinctions”. [526] He then suggests, following the work of Deleuze and Guattari, that “the distinction between real desire and desire posing as egoism is central to the critique of capitalism, which rests on a distinction between needlessly stimulated desires on the one hand and real needs on the other”. [527]

In fact, the New Testament has a separate word *philarguria* to refer to love of money (1 Timothy 6.10) along with *philargurioi* (2 Timothy 3.2, Luke 16.14) for lovers of money. 1 Timothy 6.10 is a verse that has been quoted (and mis-quoted) on numerous occasions – “For the love of money is the root of all evil” (1 Timothy 6.10 AV, RV and RSV). This extraordinary unqualified statement by-passes numerous other candidates for the role of the root cause of evil (such as the love of pleasure or the satisfaction of selfish desires in general). Franz Hinkelammert has no hesitation in accepting this translation at face value : “The root of all evil lies in love of money – the money god … drags its victims down to ruin and destruction”. [528] A translation now more in vogue is that “the love of money is the root of all kinds of evil” (as NIV and other modern versions). Donald Guthrie echoes other writers in pointing out that there is no definite article before “root”. Even without the definite article, however, “root” occupies the place of emphasis in the sentence, which could justify the traditional translation. Guthrie falls back eventually on the assertion that “ it must not be deduced from this that the love of money is the sole root of all evil, for the New Testament does not support this”. [529] So also J.N.D. Kelly : “ It is extravagant to assert that love of money is the root cause of all sins” [530] – and George W. Knight III : “This is borne out by Paul’s previous use of *pantes* for all sorts of human beings rather than for each and every person”. [531] What this verse does, however, is to encapsulate a suspicion of the temptations aroused by money which took deep root in the Christian Church, and which has survived for most of the Christian era.

[526] Gorringe, p90.
[527] Gorringe, p90.
[528] Franz Hinkelammert *: The Ideological Weapons of Death*. Orbis Books. Maryknoll, New York. 1986. p140.
[529] Donald Guthrie : *The Pastoral Epistles*. Paternoster Press. Exeter. 1957. pp113-114.
[530] J.N.D. Kelly : *A Commentary on the Pastoral Epistles.* Adam and Charles Black. London. 1973. p138.
[531] George W. Knight : *The Pastoral Epistles*. Paternoster. Carlisle. 1992. p258.

A Dialectical Relationship

When we come to consider the precise relationship between money and desire, we should probably consider it as a dialectical (two way) relationship. On the one hand, money is a measure of desire. On the other, it is a creator of desire.

Aristotle expressed the first aspect of the relationship when he talked of money as the measure of need (or demand) :-

> All goods to be exchanged should be measurable by some standard coin or measure. In reality, this measure is the need which holds all things together ; for if man had no needs at all or no needs of a similar nature, there would be no exchange or not this kind of exchange. So a coin is a sort of substitute (or representative) for need. [532]

In technical economic terms this should be extended to refer to demand *in relation to supply*, in that price is not determined simply by demand. A longstanding tradition (from the scholastics to Marx) has sought to argue that the price of an object is (and should be) determined by the costs involved in its production (and especially the costs of labour). In the absence of regulations to enforce this, however, and with the dominating influence of monopolies, the reality has always been very different. In a totally free market demand is irresistible. Without demand, production is senseless. In these circumstances, price measured in terms of money *is* largely a reflection of demand. The problem is that there has never been a totally free market, so that there

[532] Aristotle : *Nicomachean Ethics*. Book E. Section 8. English translation with commentaries and glossaries by Hippocrates G. Apostle. The Peripatetic Press. Grinnel, Iowa. 1984. p86.

are always many other forces at work. As we shall see in the next chapter, price is usually, in fact, determined by whoever in any transaction can exercise the most power.

On the second aspect of their relationship – money as the creator of desire – there is a long history. Jacques Ellul points out that the Hebrew word for money, *kesef,* comes from a verb meaning "to desire, to languish after something". He comments, "This implies that, right from the beginning, when the Hebrew language was being formed, the spiritual character of money as well as its power was already stressed". [533] Emphasizing money's encouragement of evil desire, one of the characters in Sophocles' Antigone says: -

> Nothing so evil as money ever grew to be current among men. This lays cities low, this drives men from their homes, this trains and warps honest souls till they set themselves to works of shame; this still teaches folk to practice villainies, and to know every godless deed . [534]

In the opening pages of his *Politics*, Aristotle discusses household management (in Greek – oikonomia) and writes with approval of all actions which he regards as "natural" for the improvement of the life of a household. Barter, for instance, is totally acceptable. But, when money is introduced, he begins to have his doubts. The acquisition of property/commodities by means of money (in Greek – chrematistike) he regards as "unnatural" – since (as he sees it) gold or silver are not productive of goods for household use. His argument seems to be that what really matters in life is the quality of life enjoyed by those who live on the earth, that they are able to live comfortably, healthily and without anxiety, and that money does not necessarily produce these things. On the contrary, there can be a temptation to amass money for its own sake, as what can done with money can seem limitless – whereas money (like everything else) should be used in moderation, within limits. He mentions also that those in charge of a money system might choose to alter its rules – in which case, your money could become (literally) useless. He mentions too the story of Midas, for whom

[533] Jacques Ellul : *Money and Power*. English edition. Inter-Varsity Press. Downers Grove, Illinois. 1984. p51.

[534] Ed. Sir R. Jebb : *Sophocles, the Plays and Fragments.* Part 3. *The Antigone*. Cambridge University Press. 1928.

everything turned to gold, but he was left with nothing to enjoy. [535] He does appreciate that some trading is necessary and inevitable. His chief concern, however, seems to be with money-making for its own sake, and the attitudes which this encourages :-

> Money-making then, as we have said is of two kinds; one which is necessary and acceptable, which we may call administrative; the other, the commercial, which depends on exchange, is justly regarded with disapproval, since it arises not from nature but from men's dealings with each other. Very much disliked also is the practice of charging interest; and the dislike is fully justified, for interest is a yield arising out of money itself, not a product of that for which money was provided. Money was intended to be a means of exchange, interest represents an increase in the money itself…… Hence of all ways of getting wealth that is the most contrary to nature. [536]

It may be taken as axiomatic that those features of life which are condemned in this sort of way are condemned because of their widespread practice. Thus, throughout history, money has been used in commercial trading, whatever thinkers like Aristotle may say. What Aristotle highlights, however, is that money carries with it a permanent temptation to its use for personal rather than communal benefit. James Buchan says, "Here, at the dawn of money men already recognize its deepest meaning : that money, because it has the potential to fulfil any mortal purpose and convey any mortal desire, becomes the absolute purpose and the object of the most intense desire it can convey". [537] He quotes Schopenhauer as regarding it as inevitable : "Men are often criticized in that money is the chief object of their wishes and is preferred above all else, but it is natural, even unavoidable. For money is an inexhaustible Proteus, ever ready to change itself into the present object of our changeable wishes and manifold needs". [538] Rudolf Bahro expresses this in forthright terms when he says, "Right from the beginning money has had an *autonomous* logic, which was never directed toward those purposes which, in the spirit of an "original moral economy", it should have obeyed". [539] Bahro considers that the chief desires of the human being are centred in his/her need for recognition and adornment, and that for this purpose (as we were

[535] Aristotle *: Politics*. English translation by T. A. Sinclair. Penguin Books. London. 1962. Book 1. Chap 9. p43.
[536] Aristotle : *Politics*, p46.
[537] James Buchan : *Frozen Desire*. Picador. London and Basingstoke. 1997. p31.
[538] Buchan, p31.
[539] Rudolf Bahro : *Avoiding Social and Ecological Disaster : The Politics of World Transformation.* Gateway Press. Bath. 1994. p106.

seeing in the last chapter) " money is the ideal means, for it can be traded for absolutely anything : power, property, prestige, personality". [540] Buchan points out how, because of this, visions of Utopia have so often disposed of money. Plato, for instance, though he realized that money might be necessary for the effective running of a state, banned it for his Guardians. "The *Republic* is the first of a long series of moneyless Utopias that pass by way of Thomas More to the fantasies of science fiction; and by way of the Franciscans and the Shakers and Robert Owen and Proudhon's bank to the atrocities of the Khmer Rouge". [541] The conclusion of Bahro is no less than an apocalyptic vision :-

> In money, humans have created for themselves the means suited to the drive to accumulate power through economic exploitation. Interest and credit are therefore its altogether normal circumstances. This being so, we must attack this *normality,* and acknowledge the altogether functional role of interest or credit in the machinery of economic evolution...the war on usury waged by religious cultures naturally rested on their *total world-view.....*In our case, any force capable of establishing a moral economy must completely constitute itself anew. [542]

An Alternative Vision

The only way out, according to Bahro, is a spiritual revolution. He doesn't have great hopes for it, recognizing the hold which money has on everyone. But he takes us back to the teaching of Jesus when he says, "If we were all able to feel what Jesus experienced when he said that we should give as little thought to food and clothing as do the birds of the air and the lilies of the field, then abolition of the money economy would be near, and a form of human existence approaching a balance with the rest of nature would be secured". [543] In the teaching of Jesus, this passage is another part, of course, of his Sermon on the Mount, where he is describing what life will be like in the

[540] Bahro, p106.
[541] Bahro, p31.
[542] Bahro, pp107-108.
[543] Bahro, p110.

kingdom he has come to reveal. In its context, it follows soon after his reference to storing up treasures in heaven rather than treasures on earth. It follows immediately after his call to serve God rather than money. And it is perhaps in this context that we can best appreciate the significance of those famous words. They are not just a moral injunction, which we can take or leave as we think fit. They are rather a statement of ultimate significance, which we ignore at our peril. Money, as we have just been considering it, is the power that subsumes within itself opposition to God. Not that we should not use money at all – but, when we do use it, we need to appreciate its perils, and make sure that we never become subservient to it. In the kingdom that Jesus is establishing, money will be subservient to God and to his purposes. So insignificant will it be, in fact, that those who share its values will not need to fear about the necessities of life. These will not be dependent on how much money one has. They will be provided by the merciful and generous Father whose kingdom it is. To be anxious about such things is the characteristic attitude of those who don't know God. But those who know God as their perfect heavenly Father have no need to fear. "Seek first his kingdom and his righteousness, and all these things will be given to you as well" (Matthew 6.33).

Martin Hengel considers that Jesus' "free attitude to property" is based on his conviction of the imminence of the coming of the kingdom (rather like Paul in 1 Corinthians 7. 26-31). [544] This is based, however, on the idea that, somehow, the kingdom is present "in a hidden way" in the work of Jesus. The fact is that, though the consummation of the kingdom may yet be ahead of us, the kingdom was inaugurated and demonstrated in numerous ways in the ministry of Jesus. Jesus' attitude to possessions, therefore, was determined rather by the presence of the kingdom than by its imminence. What he is saying is that it is our fear about not having enough and our lack of trust in God that pushes us into the service of mammon. [545] It could even be argued (as Bahro would certainly do) that it is anxiously seeking more and more that is the source of the severe ecological (and financial) problems of the present day. If,

[544] Martin Hengel : *Property and Riches in the Early Church*. SCM press. London. 1974. pp26-30.
[545] Craig Gay *: Cash Values*, p89.

instead, we were seeking to fulfil God's will, doing what is just, and trusting in his grace, we would be much less likely to suffer these problems.

Some of Jesus' followers were, and remained, rich and influential men. Even Zebedee, the father of James and John, employed day labourers . Jesus and his disciples were supported day by day by a group of well-to-do women (Luke 8.2-3). The tax collector Zacchaeus was not required to give up all his possessions (Luke 19.1-10). A rich disciple gave him his own tomb (Matthew 27. 57-60). Jesus did not avoid contact with the rich and often had meals with them (Luke 7.36, 14.1, Mark 2.13). His own lifestyle, though frugal, was not kill-joy. He himself commented, "The Son of Man came eating and drinking, and they say, Here is a glutton and a drunkard, a friend of tax collectors and sinners" (Matthew 11.19). Nevertheless, he was clearly a poor man. His parents had made the poor people's offering when he was presented in the Temple (Luke 2.24). He "had nowhere to lay his head" (Luke 9.58). When he sent his disciples out to preach, he told them not to "take along any gold or silver or copper" in their belts (Matthew 10.9) and one can assume that he first followed this advice himself. The disciples as a group had a purse, administered by Judas, which was probably used for occasional urgent needs. For the most part, however, they were cared for by those with whom they stayed (Matthew 10.11) or by the group of women who went round with them (Luke 8. 1-3). In this and other ways he was illustrating in his own life the sort of lifestyle that would be appropriate in the kingdom of God. [546] At the same time, as one reads the gospels, it seems that not all disciples were called to leave behind their earthly possessions, and there is no condemnation of riches as such. Even in the Sermon on the Mount the disciple can have money to give away and property to lend (Matthew 5.42).

What cannot be avoided is that some of Jesus' hardest words were reserved for those who had riches. Take, for instance, the hardest (in Matthew 19.16-26 and parallels), where Jesus tells the rich young man that he must sell all his possessions and give to the poor, and then says to his disciples that it is easier for a camel to go through the eye of a needle than for a rich man to enter the kingdom of God. There continues to be

[546] Frank J. Matera : *New Testament Ethics*. Westminster/John Knox Press. Louisville, Kentucky. 1996. p15.

much debate as to whether these commands are universally applicable. [547] For myself , following D.E. Nineham [548], I take it that, though these appear to be categorical statements, they need to be taken in the context of the whole of Jesus' teaching, where receiving eternal life and entering the kingdom heaven are open to all, regardless of their status. Rather, in this particular situation, Jesus is forcing the rich young man to face up to the fact of his love of riches, which have become his god (thus breaking the first commandment) or an idol (breaking the second), and urging him to demonstrate the total commitment to God which faith requires. Then, in his typical hyperbole, he is telling his disciples how very difficult it is for a rich man to enter the kingdom. When his disciples complain, "Who then can be saved ?" Jesus replies. "With man this is impossible, but with God all things are possible", implying that, though it is difficult, it is not totally impossible. We need in a similar way to understand Jesus condemnation of the rich in Luke 6.24 ,"Woe to you who are rich, for you have already received your comfort" – not that riches are wrong in themselves, but that they can so easily lead their possessors to trust in their riches rather than in God ; so also his words to his disciples in Luke 14.33 ,"Any of you who does not give up everything that he has cannot be my disciple" – not that a disciple has literally to give up everything he has, but that it has to take second place in his affections to his love for God. In the same vein, I would interpret the disciples' leaving "everything" to follow Jesus (Luke 5.11 and 28) as an indication of their commitment to Jesus rather than an absolute requirement for all disciples.

On the other hand we have an apparently very positive view of poverty – for instance, "Blessed are you who are poor, for yours is the kingdom of God"(Luke 6.20). And, as we have already seen, he saw one of the great signs of the kingdom that the poor had the gospel preached to them. We should probably understand the "poor" in passages like this in the sense in which the term was used in the intertestamental period, to refer to those who humbly seek after God (who were usually poor also in terms of worldly goods). So, for instance, in the first verse of the Sermon on the Mount as recounted by Matthew (Matthew 5.1) Jesus is quoted as saying "Blessed are the poor

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[547] Matera, pp31ff.
[548] D. E. Nineham *: The Gospel of Mark*. Penguin. London. 1977. pp231-232.

in spirit" where Luke has simply recorded "Blessed are you who are poor" (Luke 6.20). But there is no need to regard this as a problem if one understands that it is not riches or poverty as such that mattered to Jesus, so much as our attitude to them.

Though he may not have regarded money/riches as intrinsically evil, there are, nevertheless, numerous passages where Jesus refers to the dangers which they present. So, for instance, in Mark 4.19 Jesus refers to "the deceitfulness of wealth" as one of those things which hinder the growth of the Word of God in a person's soul. In the Sermon on the Mount he says, "Do not store up for yourself treasures on earth, where moth and rust destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven, where moth and rust do not destroy, and where thieves do not break in and steal. For where your treasure is, there your heart will be also" (Matthew 6. 19-21). As we have already seen, (like our Queen) he carried no money with him (though Judas looked after a communal purse) – so that, money required for the Temple tax had to be found in the mouth of a fish (Matthew 17.27). When he sent his disciples out to preach, he told them not to "take along any gold or silver or copper" in their belts (Matthew 10.9). And then we have to take seriously his assertion that it is impossible to serve both God and Mammon.

An Untidy History

In the history of the Christian Church it has to be observed that the attitude of Jesus has often been ignored. When Christianity became the official religion of the Roman Empire, a revolution took place, in that, for the first time, the church was allowed to hold property. At first, they acquired only places of worship and burial grounds. By the fourth century, however, through the generous donations of emperors and other benefactors, the church possessed large estates all over the empire. In 470 A.D. an imperial decree banned the alienation of church properties, thus ensuring the landed wealth of the church for the foreseeable future. Then, once the clergy had become a salaried profession, they also became landowners; and lay Christians often became possessors of large estates. A reaction set in with the ascetic movement and the founding of monasteries. Almost inevitably, however, with the great resources they acquired through the many bequests made to them, and the special favours granted them by local rulers, the monasteries became very rich and began to get involved in trade. Initially, they worked through middle-men, then through lay brothers. Eventually, however, they became involved on a large scale. Lester Little says "A map showing the centres of power, jurisdiction, communications and erudite culture in Europe in the tenth and eleventh centuries should not emphasise cities, but rather the great monasteries". [549] Of the Cistercians he says, "The economic organization developed by the Cistercians was one of the marvels of the (twelfth) century…The success of (their) system is legendary, as also is the embarrassment of riches it produced". [550] He goes on to say "Monasticism was thus offered the eternal choice between God and Mammon, and the temptation in many cases was irresistible". [551] Monks, of course, took a vow of poverty, foreswearing all personal possessions. Even here, however, numerous ways were found of allocating food and monies of all sorts to individual monks, until many of them also became extremely rich. [552]

The next reaction was the formation of new monastic orders, like the Franciscans and Dominicans, who required a greater commitment to poverty. Francis required his followers to renounce all private property, and to have nothing to do with money. [553] It was particularly from their ranks that scholastics like Thomas Aquinas emerged, and to whom it fell to work through the problems created by the increasing use of money at that time. Aquinas, following the lead of Aristotle, sought to establish a balance between the necessary use of money and over-attachment to it : "Riches are good forasmuch as they serve the use of virtue; and if this measure be exceeded, so that they hinder the practice of virtue, they are no longer to be recognized as a good but as an evil". [554] Aquinas also followed Aristotle with regard to the way in which money can be used. Aristotle (as we have already seen) wrote about two kinds of money-making, one of which he regarded as necessary and acceptable (as it was used in the buying and selling of goods), the other less acceptable (where it was used to make

[549] Lester Little : *Religious Poverty and the Profit Economy in Medieval Europe*. Paul Elek. London. 1978. p64.
[550] Little, p93.
[551] Little, p323.
[552] G. G. Coulton *: Five Centuries of Religion*. Vol 3. Cambridge University Press. 1936. pp353-394.
[553] Rules 1223 and 1221 of the Franciscan Order.
[554] Aquinas : *Summa Contra Gentiles*. Book 3. Chap 33. Translation by English Dominican Fathers. London. 1924-1929. Vol 3. Part 2.

more money – by currency exchange, interest payments, profit etc). Money, according to Aristotle, was intended to be a means of exchange, not to be traded in for its own sake. [555] Aquinas refers to this passage, and then continues, " The former kind of exchange is commendable because it supplies a natural need; but the latter is justly deserving of blame, because, considered in itself, it satisfies the greed for gain, which knows no limit and tends to infinity". [556] Aquinas is prepared to recognize (in a way that Aristotle may not have been), that profit from trading may sometimes be justified - if it is intended for a "virtuous" end, like maintaining your household, or the assistance of the needy, or the support of your country. [557] There remains, however, a distinct aversion for this kind of use of money, and a conviction that it should not (like other things) be sold.

I have already referred to the irony that the scholastics and Calvin, who were desperately seeking to maintain a path of moderation should have ultimately provided the rationale that would encourage the frantic seeking after money which was to characterize the great trade expansion of their time. Moderation was eventually trodden under foot. Probably the greatest cause of its demise was the far greater availability of luxury goods made possible through the adventures of the traders (now usually described as "discoverers") who extended so greatly European awareness of the rest of the world. As is observed by McKendrick *et al* in *The Birth of a Consumer Society*, it was not the desire to consume that was new, it was the ability to do so. [558] In the first instance, such items were imported rather than locally produced. The ensuing Industrial Revolution, however, was built on the same foundation. From one point of view, one should concentrate, perhaps, on the desire for wealth that inspired the merchants and the industrialists. Equally significant, however, was the desire to consume their goods. And, justifying both were the theorists like Locke and Adam Smith who encouraged both trade and consumption as the means to achieving "the wealth of nations".

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[555] Aristotle : *Politics*. Book 1. Chap 9.
[556] Aquinas : *Summa Theologica.* Part 2. Part 2. Question 77. Article 4.
[557] Question 77. Art 4.
[558] Neil McKendrick, John Brewer and J. H. Plumb : *The Birth of a Consumer Society.* Europa Publications Ltd. London. 1982. p2.

Of great influence at the time was Bernard Mandeville (1670?-1733) with of his *Fable of the Bees* (1714) in which he likened an economy to a hive of bees. In this hive, all the bees were driven by lust and vanity, but even the poorest was better off than they would have been on their own. The reason was that consumption produces employment (e.g. even burglars produce work for locksmiths). Then one day a Puritan revolution took place. Crime and military spending ceased, and luxury was spurned. The result was unemployment and the collapse of entire industries. Many bees left the hive. [559] In a similar way, Adam Smith argued that, even though our commercial actions may be taken from selfish motives, that this will work out for the general benefit. "It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity, but to their self-love." [560] Behind it all is "an invisible hand" by which the general interest is promoted. [561] It can be argued that Smith recognizes the importance of such values as truth, honesty, obligation and trust in the proper working of an economy (as in his book *The Moral Sentiments*). Unfortunately, however, the economy he is describing tends to lead to the erosion of just these values, and to an encouragement naked self-interest.

Contemporary Analysis

The first great analysis of the consumer society was by Thomas Veblen in *The Theory of the Leisure Class* (1899), in which he viewed capitalism as based on chronic dissatisfaction associated with "emulative consumption". Whereas the conventional wisdom held that the purpose of acquiring goods was to consume them, he maintained that, right from the beginning, "the motive that lies at the root of ownership is emulation". [562] For the first in the queue, the motive might be that of acquiring status. But, after that, it is the emulation of those already having status. This is not to overlook the fact that, especially for the poorer members of society, much acquisition may be for the purposes of survival. However, as far as status is concerned,

[559] Bernard Mandeville : *The Fable of the Bees; or Private Vices Turned to Public Benefits* (1714), in Collected Works. George Olms Verlag. Hildesheim and New York.
[560] Adam Smith : *Wealth of Nations*. Book 1. Chap 2. p119.
[561] *Wealth of Nations*. Book 4. Chap 2. p32.
[562] Thomas Veblen : *The Theory of the Leisure Class*. George Allen and Unwin Ltd. London. 1925. p25.

it is the ownership of property that counts. And, once workers have sufficient for survival, this is the motive that increasingly moves them. All of which, of course, is to their ultimate disadvantage, in that it works to preserve the existing economic system, and to keep working people in subjection to it.

In *The Acquisitive Society* (1921) R.H. Tawney began from an observation, whatever may have been the case in the past, that “modern societies aim at protecting economic rights”. [563] “Such societies may be called Acquisitive Societies, because their whole tendency and interest and preoccupation is to promote the acquisition of wealth”. [564] One result of this is the over-production of luxury goods for those with most money, while the working man “is employed in making goods which no-one can make with happiness, or indeed without loss of self-respect, because he knows that they had much better not be made, and that his life is wasted in making them”. [565] What Tawney wanted to see was a society organized primarily for the performance of duties, rather than the maintenance of rights. [566]

By the time J.K. Galbraith wrote *The Affluent Society* in 1958, the United States had reached a degree of affluence that, even if inequality remained, the great concern had become the production of goods, such that the Gross Domestic Product was the essential measure of economic vitality. But, in order to keep consumer demand at the level necessary for production to continue to grow, the situation had emerged where demand had to be encouraged by producers , particularly by means of advertising. “Production, not only passively through emulation, but actively through advertising and related activities, creates the wants it seeks to satisfy”. [567] But this begs the question of whether increasing production of this sort is really the route to the happiness of all.

The brute fact is that the capitalist system, especially where the markets (and money) are free, appears to lock us into an endless seeking after that which (eventually) does

[563] R. H. Tawney : *The Acquisitive Society*. Wheatsheaf Books Ltd. Brighton. 1982. p31.
[564] Tawney, p32.
[565] Tawney, p38.
[566] Tawney, p80.
[567] J. K. Galbraith : *The Affluent Society.* Penguin Books. London. 1987. p130.

not satisfy. As I have indicated earlier, a system based on debt and interest *needs* to be growing continually simply to repay debts and pay interest (let alone to produce profits and money for re-investment). Individual firms, if they are to survive, are on the same treadmill. By one means or another, therefore, the consumer has to be persuaded to keep on buying. There are numerous strategies for achieving this – inbuilt obsolescence, more advanced products, credit cards, loyalty cards, special offers, to name but a few. Above all, of course, there is advertising, some of which we don't even recognize as such – including so-called subliminal advertising, which appeals at a very deep level. Ralph Glasser, author of *The New High Priesthood* puts it pithily when he says, "Marketing does not sell a product – it sells a dream, a dream of beauty, of health, of success, of power". [568] It is particularly powerful in the lives of the poor (seeking consolation) and the young (seeking identity). Wilkinson and Pickett are able to show (sadly) that, where inequality is greatest, it "ratchets up the competitive pressure to consume" – indeed, "inequality increases spending on advertising". [569] Governments, sadly, do little to combat it - even in relation to what is known to be harmful (like smoking or alcohol). Their economies are dependent on continual growth (quite apart from the votes of consumers).

Jung Mo Sung, in his recent book *Desire, Market and Religion*, locates much of the problem in the confusion between needs and desire. What we are persuaded by advertisers is that we need an endless variety of products. But the truth is our actual needs are limited. What are unlimited are our desires. [570] Sung says, "When one thinks from the standpoint of desires, there are no limits. One pursues the limitless. And when one desires the limitless there is never anything left to share. There is never enough". [571] The tragedy of the contemporary experience is that all this is exploited by the big players in the capitalist economy for their own ends. It is even justified by neo-liberal thinkers as the engine of progress [572] – to the extent that even the poor are persuaded to accept sacrifices when the system is in trouble so that "progress" can

[568] Ralph Glasser : *The New High Priesthood*. Macmillans. London. 1967. p12.
[569] Wilkinson and Pickett, pp 227-228.
[570] Jung Mo Sung : *Desire, Market and Religion*. SCM Press. London. 2007. p32.
[571] Sung, p33.
[572] Sung, p37.

continue [573] (as we are seeing now in the aftermath of the recent crisis of the system). The ultimate tragedy is that an economy based on the satisfaction of desires will lead inevitably to the destruction of the planet. [574]

Mimetic desire, Sung says, is at the real centre of modernity :

> This modernity is characterized by the myth of progress and the construction of a new type of utopia. The religious utopia or the eschatological hope of the Middle Ages became secularized and transformed into a utopian opening of the horizon from the standpoint of the concept of progress. "Paradise" was removed from the hereafter to the future mediated by technological progress. With that, the notion of limits for human action disappeared. [575]

Conclusions

Christianity (along with Judaism) refutes this logic by its distinction between needs and desire and by its recognition that there *are* limits to what we may desire. As we have already seen, both in the Old and New Testaments, the requirement is to put the well-being of others before the satisfaction of your own desires. There is also a recognition of the role played by money in the stimulation of desire, and a command to make money servant rather than master. Sung is concerned about how the immense power of mimetic desire can be curbed. He proposes, first of all, the unmasking of the mechanisms which control the modern economy. Then he suggests the encouraging of a different type of mimetic desire, namely the desire to emulate the persons of integrity (like St. Francis) that we could take as models of a different way. [576] In the end, as Bahro realized, desire needs to be converted - "a new spirituality that changes the desires by changing the desire's model". [577]

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[573] Sung, pp42-44.
[574] Sung, p67.
[575] Sung pp35-36.
[576] Sung, pp48-49.
[577] Sung, p75.

At the same time there is always the possibility of changing those aspects of the system which trade on desire. If there is one thing that seems to have struck home as a result of the recent economic crisis, it is that it was brought about by excessive desire. Much has been said about the greed of the bankers and the bonuses awarded them for making short-term profits which bore no relation to the underlying realities of the economy. It has also been realised, however, that their customers have been equally at fault in seeking such enormous levels of credit – not to mention the governments and regulators who turned a blind eye. Not surprisingly, perhaps, it has been in this area that Christian spokesmen have had most to say. But, as St. Paul, recognized, moralizing by itself gets you nowhere. Joerg Rieger suggests (following Marx), that the key, in the end, is actually not so much in the area of consumption as in production. For him, the goal of socialism is not that rich people should share with poor people. Charity is not enough. In fact, appealing to charity can disguise the need for systemic change. “Rather the goal of socialism is to consciously manage economic activity with an eye to maximizing collective economic well-being, rather than individual profit......everything else follows from this, including the production and reproduction of desire and the fulfilment of human need”. [578] Citing the saying of Jesus ; “Strive first for the kingdom of God and his righteousness (justice) and all these things (food, drink, clothes) will be given to you as well” (Matthew 6.33), he concludes, “Relationships of production that are just, where all can contribute according to their abilities – the “kingdom of God and his justice” – create a situation where human needs are met and where human sin is addressed in realistic fashion”. [579] One does not need to move from this to the necessity of a totalitarian state, but such an understanding does require considering theological principles as central to all policy-making, rather than acceding to the impulses of human desire focussed on money.

But money is extremely powerful, and I move from here to consider, through the insights of Christian theology, how it achieves such power and how such power can be contained.

[578] Joerg Rieger : *No Rising Tide*. Fortress Press. Minneapolis. 2009. p119.
[579] Rieger, pp119-120.

Chapter Eight

MONEY AND POWER

The fourth (and final) standpoint from which I am surveying the institution of money is in respect of power. I refer in this context to the experience of human beings as subject to the power exercised upon them by outside forces or persons. Though the preceding chapters have demonstrated many ways in which the use of money can have negative anti-social effects, my submission is that this is demonstrated most clearly in the power relationships that money encourages and fosters, which can result in dramatically unequal relationships. In fact, I shall conclude that money, left uncontrolled, operates as a cosmic power which controls us all and works against both the good purposes of God and the well-being of society.

In recent years it is the French philosopher, Michel Foucault, who has investigated most comprehensively the way in which power is exercised in different life situations. For him every action and every historical event is seen as an exercise in the exchange of power – as evidence of power relations. [580] In the report of the Doctrine Commission of the Church of England, *Being Human*, a whole chapter is devoted to the subject. Recognizing that power has come increasingly to be understood in a negative way, the writers are honest enough to admit the degree to which the Christian Church has contributed to this through its own hierarchical structures, as well as its involvement in the Crusades, the Inquisition etc. At the same time, they are anxious to emphasize how power can be used positively, that God himself exercises his power for the benefit of human beings, and that Jesus exercised his power in humility and in service. “In the Christian view power cannot be seen as intrinsically corrupt. To be created by God entails being gifted with human powers, the wise use of which is integral to being fully human. To be redeemed by God entails living in the light of the

[580] See especially *The Subject and Power* in ed. James D. Faubion : *Michel Foucault – Power*. Penguin Books. London. 1994. pp326-348.

power of the Resurrection. To be sanctified by God entails enjoyment and exercise of the gifts of the Holy Spirit". [581]

The writers draw attention (as others have done) to an ambiguity in the notion of power, not least as the word is used in the English language, which is clarified by the distinction in classical Greek between *dynamis* and *exousia*, the first having reference to strength, and the second to authority. In considering the power of money, it is necessary to keep both aspects in mind – that money has the strength to achieve much, but that it can also become a focus of domination. Few would doubt that money has the strength to achieve great things, and many would claim that the justification for the role of money in the capitalist system is that it has been able to achieve so much. It will be the contention of this chapter, however, (whilst not contesting this fact) that money, particularly where it is allowed free rein, can exercise an authority which is often unjustifiable in Christian or moral terms.

The Power of Money

There are now very few economies that are not monetized (where all commodities are valued in terms of money). Once money attains this eminence, it exerts enormous power over the lives of all citizens. In 1844, Karl Marx wrote "By possessing the property of buying everything, by possessing the property of appropriating all objects, money is thus the object of eminent possession. The universality of its property is the omnipotence of its being. It is, therefore, regarded as omnipotent".[582] If he was living today, he would say it with even greater emphasis.

Stephen Green wrote in 1996, "What is new about the last two decades is the sheer scale of the markets and the speed at which they are evolving. The flow of international capital has grown from a trickle to a flood which no government on earth can now dam". [583] In other words, the vast financial markets are now quite beyond the

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[581] *Being Human*, pp53-54.

[582] Karl Marx : "The Power of Money in Bourgeois Society" in ed. Dirk J Struik : *Economic and Philosophical Documents of 1844.* Lawrence and Wishart Ltd. London. 1970. p166.

[583] Stephen Green : *Serving God ? Serving Mammon ?* Marshall Pickering. London. 1986. p7.

control of national governments and exercise enormous power in their own right. Further estimates are given by Richard Burnet and John Cavanagh : "In 1973 the gross sum in Eurocurrency accounts all over the world was US$315 billion; by 1987 the total was nearly US$4 trillion" [584] – and by Ian Linden: "The daily turnover of currency transactions in the markets in the 1970s was about $1000 million; it is now well above $1,000,000 million, more than a hundred times the currency reserves of the world's governments put together". [585] Most of these transactions are speculative in nature.

What this vast quantitative change has actually brought about is a great qualitative change – money no longer being a servant, but having become a master. This can be seen, for instance in the way in which the value of a currency is invariably the major consideration of those administering national finances. The decision of the new Labour government in 1997 to hand over decisions concerning Bank Rate to the Bank of England can be seen as handing over to financiers the most important tool for controlling the whole economy – even though their assignment is meant to be limited strictly to the control of inflation. In the same way, in the sphere of business, it is the value of the company's shares that is the main consideration in its boards' and executives' decisions. In fact, it is the widely held assumption that it is "the ultimate or primary purpose of a company to maximize the value it creates for its shareholders" [586], and executives who seek to follow other courses of action can be held to have abused their trust. There are, obviously, other ways of running a company. Some are investigating various "stakeholder" alternatives. Some investors are considering various possibilities of "ethical" investment. What cannot be denied, however, is that, for the most part, it is considerations centred on money that govern myriads of decisions in national and business life.

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[584] Richard Burnet and John Cavanagh : *Electronic Money and the Casino Economy*, in eds. Edward Goldsmith and Jerry Mander : *The Case against the Global Economy.* Earthscan Publications Ltd. London. 2001. p66.

[585] Ian Linden : Globalization and the Church : An Overview, in ed. Charles Reed : *Development Matters.* Church House Publishing. London. 2001. p4.

[586] David Nussbaum *:* Does Shareholder Value Drive The World ? in ed. Donald Hay and Alan Kreider : *Christianity and the Culture of Economics.* University of Wales. Cardiff. 2001. p37.

Sources of Money's Power

In the light of the last two chapters, it would be possible to discern a fairly straightforward route to the power possessed by money, beginning from the way that money (at least in a developed economy) is that by means of which everything is valued (chapter 6) through the way in which money is the chief motivator for desire (chapter 7). I want to argue, however, that there is another deeper explanation.

I have already argued that, even in a barter situation, those involved in barter are evaluating the commodities involved in relation some notional "money of account". I have also argued that money should not be considered in isolation from other kinds of property (such as land). If we understand, "mammon", therefore, as Jesus might have understood it in the 1st. Century A.D., it would almost certainly have referred to land and other property, even more than to gold and silver, or other commodities used as means of exchange. On this basis, there is evidence right through the Old Testament period of the power of money, where I have drawn attention to the way in which those sometimes described as elites were able to use money to exercise power over those less fortunate than themselves – which the prophets described (often quite openly) as injustice and oppression. This tradition was continued by Jesus himself, and much of his ministry can be interpreted as an attempt to get those who were using money in this way to appreciate what they were doing and to repent. The classic example of this would be his turning over the tables of the money-changers and of those who sold goods in the temple precincts. Having considered the early Church Fathers and their attitude to property, and the efforts of the Scholastics to find a just price for everything, it can easily be appreciated that, behind all their discussions, was a concern at the power exercised by those in possession of money over those whose lack of money left them vulnerable.

In the early modern period the unequal sharing of property even came to be <u>justified</u> by writers like Locke and Adam Smith. Where indignation rose again it was as a result of the conditions to which many were condemned in the Industrial Revolution, and it can be seen particularly in the writings of Karl Marx. To many who witnessed the dramatic growth of the 19th. Century, money was the oil that enabled the great Industrial Revolution to roll. Marx, however, saw the anguish of numerous working people trapped in situations from which they could only by superhuman efforts extricate themselves, locked into a money economy which failed to provide their basic human needs. While they had lived in the countryside, many of them had lived in their own houses, on their own land, growing on that land the food they needed to keep them fit and well. But, as they lost their house or their land, they were forced to rely on money to rent a place in which to live and to buy the food they needed to eat. And this meant signing on to work for wages. Very often the employer had you at his mercy, paying you less than a living wage. And, if anything went wrong, if you were ill or lost your job for any reason, you could be destitute.

Marx developed at great length his theories about the functioning of an industrial society and the place of money in it. He began with the situation where the development of a division of labour enables people to sell their products in return for money. In this situation he sought to show how commodities, as soon as they enter the exchange market, cease to be simply objects-in-use and become subjects with lives of their own, able to influence other objects and the lives of human beings. The essence of this is that they now have a value independent of their value-in-use – a price, which is determined in relation to the prices of other commodities. [587]

This price can be expressed differently in relation to every commodity for which it is exchanged. It is not long, however, before one commodity emerges in which all values are expressed – which is some form of money, usually gold or silver. This can be seen to perform a highly useful function. Marx himself, however, saw it through entirely different spectacles :-

> This physical object, gold or silver, in its crude state, becomes, immediately on its emergence from the bowels of the earth, the direct incarnation of all human labour. Hence the magic of money. Men are henceforth related to each other in their social process of production in a purely atomistic way. Their own relations of production therefore assume a material shape which is independent of their control and their conscious individual action. [588]

[587] Karl Marx : *Capital.* Book 1. Part 1. Chap 1.
[588] *Capital.* Book 1. Part 1. Chap 2. p187.

In other words, Marx is saying, once you are involved in the money economy, your relations with other people are on an entirely new basis, and you lose control, to a greater or lesser extent, of your own future. Marx quotes the words of Christopher Columbus, "Gold is a wonderful thing ! Its owner is master of all he desires. One can even enable souls to enter Paradise." [589] Even beyond this, he notes the way that human beings give to money the character of a fetish (or item of worship). Initially he shows how this can be done for any commodity, but money soon becomes the supreme fetish, and "modern society…greets gold as its Holy Grail, as the glittering incarnation of its innermost principle of life". [590] It is, in fact, the chief argument of this thesis that, as soon as anyone makes a transaction involving the use of money, they enter a world in which they are no longer free. In the process of barter, each participant in a transaction emerges with a commodity which can be used directly for the betterment of their life. Where someone has sold a commodity in exchange for money, however, they emerge with a commodity (money) which cannot be used directly for the betterment of their life. The money they now possess (it is true) can be used for an infinite number of purposes, *but only in accordance with the rules that control its use*. Contrary to widespread belief, money is not, in fact, neutral. It can even be said to make us its slaves. In the words of Jacques Ellul : "We can, if we must, use money, but it is really money that uses us and makes us its servants by bringing us under its law and subordinating us to its aims". [591] It is not enough to say that money can be used for good or evil. If left uncontrolled, as is advocated in the contemporary philosophy of Neo-Liberalism, an economy based on money can have all kinds of evil effects. This is, in practice, why both national governments and international agencies (even if they profess to follow many Neo-Liberal policies) have no option but to regulate many ways in which money is allowed to function. The most significant problem in our modern world which arises directly from the existence of money is the widespread incidence of interest-bearing credit, which, as debt, has a crippling effect on the lives of individuals and nations.

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[589] *Capital.* Book 1. Part 1. Chap 3. p229.

[590] *Capital.* Book 1. Part 1. Chap 3. p230.

[591] Jacques Ellul : *Money and Power*. Translation by LaVonne Neff. Inter-Varsity Press. Downers Grove, Illinois. 1984. p76.

It can be argued, of course, that any involvement in trading involves danger, so that it is not money itself which is the problem, but the conditions of trading at any particular time. Even in a barter situation (where there is no money involved), it could be said, if you have a product on which you have spent a lot of labour, but which you cannot exchange, you may be in trouble. Or if “the terms of trade” turn against you, so that your product can only be exchanged for small quantities of other products, you may be in trouble. However, there are particular dangers if you are exchanging your product for money. For instance, the value of the currency you are using may fall. If your money is held in a currency that is weak in relation to other currencies, you may suddenly find that you can buy very little with it. If it is held in shares, these may lose their value. If it is held as a bank deposit, the credibility of your bank may falter, and the bank could even collapse.

In other words, money never exists in isolation. Its use and its value depend on its conditions of use – which are determined by the authority which gives it its validity. In a country like Britain, for instance, these conditions are determined ultimately by the law of the land and any lesser authorities to which authority is deputed – especially commercial banks, building societies and insurance companies. Immediately, this gives the lie to the idea that any market can be free. It is only free within the limits that have been established for it, and these limits are almost always established by the possessors of money, who have an interest in establishing those limits to their own advantage.

This argument was first made substantially by Karl Polanyi in *The Great Transformation*, when he argued that “laissez faire” was actually *planned* [592] - on the basis that, at all stages of history, the market has been constructed, not from the free play of individual actors, but from the efforts of governments and others powerful enough to organize it (usually for their own interests). So Arthur MacEwan, when considering the suggestion that things should be “left to the market”, insists that markets are historically constructed, and that governments have intervened massively at all stages of history. “In any society, the state plays the central role in defining markets by virtue of its importance in determining property rights, establishing social

[592] Karl Polanyi : *The Great Transformation*. Victor Gollancz Ltd. London. 1946. pp139-140.

and physical infrastructure, and affecting the distribution of income and wealth". [593] If the argument is, therefore, that markets in the 21st. century should be unfettered, we are not talking about markets which have evolved in some kind of natural way, but markets that have been constructed by government regulation, often for the benefit of those who have had the power to control them. A capitalist free-market system, for instance, is not the only possible system. It is a particular system created by those who have had the power to do so. "When markets serve their allocation functions, when they perform their "magic", they do not do so in some independent or "natural" way. Allocation of goods and resources through markets is not an alternative to conscious human intervention in economic affairs. Markets are the mechanism through which that intervention is organized". [594]

In practice, MacEwan argues, the role of the state goes far beyond that of the neutral watchman. Over the centuries, government has had to make fundamental decisions about the structure of markets - for instance, in relation to property rights. Here he uses the example of water rights and the effect these have had on agriculture and the development of the mills (which were the first wave of factories in the Industrial Revolution). [595] "To leave things to the market would be to leave things to past intervention". [596] In the words of Elmar Altwater, "A pure market economy has never existed in history it has always been politically regulated by society. The invisible hand of the market has to be supported by the visible hand of state intervention, and both require the "third hand" of a network of social and economic institutions". [597]

The writers of *The Politics of Money* claim that, to some degree, this has always been the case, even in the simplest societies :

> The village auction market, like any market, is a social institution where the process of selling involves specific methods, customs or routines to reach price agreements. Publicity, transport, clerical work and storage are required to be in place before trading can begin...Even the small local market is supported by a legal framework defining ownership and

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[593] Arthur MacEwan : *Neo-Liberalism or Democracy* ? Zed Books. London and New York. 1999. p109.
[594] MacEwan, p119.
[595] MacEwan, p127.
[596] MacEwan, p131.
[597] Elmar Altwater : *The Future of the Market.* English translation by Patrick Camiller. Verso. London/New York. 1993. p238.

> appropriate forms of transfer of ownership of property, backed by the ultimate sanction of force. [598]

Polanyi's concern (in *The Great Transformation*) was to show how this has happened with the UK economy. One simple example would be the way in which peasants were systematically deprived of their land and forced into the status of wage-labourers, so that by the end of the 17th. Century English landlords controlled as much as 70-75% of

cultivable land. "As the demand for a growing full-time proletariat increased, so did the pressure to expropriate the land or access to the land of the semi-proletariat". [599] This development of the market economy did not happen naturally, but by force and by government legislation.

The problem is that governments either reflect the interests of the most powerful, or, increasingly, are unable to resist the interests of the most powerful. As Arrighi (followed by Harvey) has argued, there are two different logics of the exercise of hegemonic power - that of territorial rulers and that of the barons of capitalism. Very often these logics act in collusion. Sometimes they come into conflict with each other. [600] However, it is the argument of Philip Goodchild that, in the last thirty years, since the movement of capital has been de-regulated, "it is like gas that has been let out of a bottle .... states that have released the power of capital have little choice but to subordinate all other political aims to the attraction of investment, or risk losing the source of their power. Money is the supreme political authority in modernity". [601]

To highlight the significance of this for the majority of the world's population, it remains to emphasize how this power of money has now enveloped the whole world – even where there is very little of it. When we talk about globalization, what we are referring to is not just the expansion of trading to include the whole world, but a movement in which the whole world is becoming subject to the power of money. It would be possible to argue, in fact, that the extension of trading by the leading

[598] Frances Hutchinson, Mary Mellor and Wendy Olsen : *The Politics of Money*. Pluto Press. London. 2002. p91.
[599] David McNally : *Against The Market*. Verso/Left Books. London and New York. 1994. p18.
[600] Giovanni Arrighi : *The Long Twentieth Century.* Verso. London/New York. 1994. p33. David Harvey : *The New Imperialism.* Oxford University Press. London. 2003. p27.
[601] Goodchild : *Theology of Money*. p62.

economic powers has been consciously aimed at bringing all nations under that power. In the same way as I described this to be true of individuals, so I believe it is true of nations – as soon as you enter trading relationships using money, you become entrapped in a system whose rules have to be kept. Superficially, to receive money for the sale of a commodity may feel like acquiring riches, but that money can only be used in accordance with the rules that govern its use. In many cases in international trade there is an explicit requirement that money received from the sale of a commodity be used to buy commodities in return from the same country. Where this is not the case, a country may, instead, be in debt arrears which (under present rules) are obliged to be cleared. Add to this the temptation to invest in foreign countries (where interest rates may be higher) and the desire of the population for foreign goods (especially foreign technology), and it is clear that, once you have entered the world's monetary system, you have very little freedom to develop your economy as you might wish. In the words of Daniel Bell, "Humanity is delivered to the capitalist order by means of a vast matrix of technologies of power". [602] Franz Hinkelammert goes so far as to say that since the 1970s capitalism has become a "savage capitalism" that involves an aggressive attack on the power of the nation state. In this situation the population of the Third World has been rendered largely redundant, and Third World development is no longer perceived as a goal to be attained. [603]

Biblical Perspectives

In earlier discussions on justice I observed how neglect of the Mosaic legislation regarding the care of the poor resulted in the creation of structures of power regarded by the prophets as unjust, and which often resulted in the oppression of the weaker by the stronger. I showed further how Jesus, the New Testament writers and the Church Fathers accepted this understanding and urged on Christians an ethic of solidarity and generosity.

[602] Daniel M. Bell Jr : *Liberation Theology After the End of History.* Routledge. London and New York. 2001. p32.

[603] Quoted in Bell, pp10-12.

Of particular interest in this respect is the Letter of James (widely identified as a physical brother of Jesus and the leader of church in Jerusalem – Acts 15.13-21, 21.17-19). James' teaching on the practical nature of Christian love is succinctly stated in 1.27 : "Religion that our God and Father accepts as pure and faultless is this : to look after widows and orphans in their distress, and to keep oneself from being polluted by the world". Also in 2.17 : "Faith by itself, if it is not accompanied by action, is dead".

Perhaps the most striking theme in James' letter, however, is his denunciation of the rich and powerful, and his corresponding concern for the poor and oppressed . In some ways this puts James in close relation to the wisdom tradition. Even more, however, it recalls the condemnations of the prophets :-

> Look ! The wages you failed to pay the workmen who mowed your fields are crying out against you. The cries of the harvesters have reached the ears of the Lord Almighty. You have lived on earth in luxury and self-indulgence. You have fattened yourselves in the day of slaughter. You have condemned and murdered innocent men, who were not opposing you. (5.5-6)

In the same way, merchants are condemned for giving all their attention to the making of money. Instead, they should say "If it is the Lord's will, we will live and do this or that" (4.13-15).

Not least, perhaps, one might point out the affinities of James with the teaching of Jesus. His criticism of the churches where they were showing favouritism to the rich (2.1-4) recalls very much Jesus' own criticism of the Pharisees (Luke 14.7-14). His assertion that worldly status matters nothing in the kingdom of God accords with Jesus' continual assertions (as in Luke 7.44-47, 14.21-24). "Has not God chosen those who are poor in the eyes of the world to be rich in faith and to inherit the kingdom he promised to those who love him" (2.5). "The brother in humble circumstances ought to take pride in his high position. But the one who is rich should take pride in his low position" (1.9-10). In general, to quote the words of Andrew Chester , "James reaffirms a central tenet of Jewish teaching (from the Old Testament onwards) that it is the poor, oppressed, and marginalized who matter most to God, and it is they who should matter in the community”. [604]

In general terms, it can be said that the whole New Testament affirms the core statement of Jesus that you cannot serve both God and money. In the Book of Revelation this is intensified; the author thinks of earthly events being mirrored by “heavenly” ones, and there is an intense warfare. Christopher Rowland says, “It is as if Jesus’ words in the Sermon on the Mount (“You cannot serve God and Mammon”) are commented on in the apocalyptic symbolism”. [605] The book has been understood traditionally to have been written by the apostle John around 80 A.D. (and recognised as such by Christian writers from 140 A.D. - Justin Martyr - onwards), but is widely regarded nowadays as several decades later. Clearly written in a period of severe persecution, Revelation urges suffering Christians to hold on to their faith, even to the point of death, whatever attempts may be made to force them to compromise. The pictures of “the beast out of the sea” (13. 1-10) and the prostitute Babylon (17 - 18) would have been taken by the first readers as referring to the Roman Empire under whose oppression they were suffering. Accepting that the book is relevant to every century, Rowland identifies “the beast of the sea” (13.1-10) with political dominion, “the beast out of the earth” (13.11-18) with the ideology and ideological institutions which support it, and the prostitute “Babylon” (17-18) with the whole social system supported by the political power. [606]

The “mark of the beast” which was imprinted forcibly on the forehead of everyone, small and great, meant that “no-one could buy or sell unless he had the mark” (13.16-17), and the author castigates the merchants of the earth who “grew rich from her excessive luxuries” (18.3) and who will mourn so bitterly when no-one buys their cargoes any more (18.11-20) – all of which points to a deep disenchantment with the economic structures of the period. Rowland argues that the famous passage in Romans 13, which argues for obedience to the state, “needs to be qualified by the

[604] Andrew Chester *: New Testament Theology – The Theology of the Letters of James, Peter and Jude.* Cambridge University Press. 1994. p34.

[605] Christopher Rowland : *Revelation.* Epworth Press. London. 1993. p41.

[606] An excellent summary of different interpretations is given in Judith Kovacz and Christopher Rowland : *Revelation.* Blackwell Publishing. Oxford. 2004. pp147-158 and 177-189.

more realistic portrayal of Revelation 13”, [607] where it is revealed that state power can in fact be <u>demonic .</u> [608]

The picture of “Babylon” owes much to Ezekiel 27-28 (the prophecy against Tyre) and Jeremiah 51 (that against Babylon), where the prophets are drawing attention to the extensive economic activity of the cities concerned and their conspicuous consumption, enjoyed at the cost to other parts of the world in terms of the draining of their goods and resources.

The political and economic implications are well summarized in this critique :

> What Revelation refuses to allow is a view of economic and political activity which stresses their autonomy……Acts of trade and commerce and political processes are shown to be shot through with conflicts of interest which are of paramount importance in the concerns of religious people…..Revelation, therefore, does not allow a view of society which accepts that it has been secularized and can be understood in its various constituent parts without reference to God. Revelation reminds us that to suppose that there is a “divine law” which undergirds exchange in the market place, which is not to be troubled by matters of conscience or moral issues, is repugnant to the Christian gospel. [609]

Principalities and Powers

Revelation’s reference to heavenly powers like “the beast out of the sea” alerts us to a theme which recurs in different forms throughout the Biblical record – namely, that behind all that can be seen there are invisible powers which influence (for good or evil) what happens on the earth. G.B. Caird traced this realization back to the pagan theodicies which are still accepted by many peoples to this very day. What was to be the response of the Israelites to these pagan deities that they encountered ? One obvious response , says Caird, would be to identify Yahweh with one or other of the pagan gods. Another would be to deny to these deities any reality whatever. That which was eventually adopted, however, was to accept their existence, but to assert

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[607] Rowland, p116.
[608] Rowland, p115.
[609] Rowland, p135.

that they were subject to the supreme authority of Yahweh. [610] This included the powers of nature, the sun, moon and stars, and all the gods recognized by the nations round about. These ideas were developed in later Jewish writing - so that we read in the Book of Daniel, for instance, of a war between “the prince of Greece” and “the prince of Persia” (Daniel 10. 13, 20), which clearly refers to a conflict, not only between nations, but between the spiritual powers behind them. Throughout the Roman Empire there was widespread acceptance both of the existence of spiritual powers and that each nation had its own particular god acting behind the scenes on its behalf. Caird is right to emphasize, however, that “the Hebrew mind was less interested in the origin of evil than in its conquest” [611], and this is demonstrated time after time in the apocalyptic literature of the inter-testamental period.

In the gospel records there are many incidents of Jesus’ victories over evil spirits and his recognition that behind them lay the power of Satan (e.g. Luke 11.14-22). The whole emphasis, however, is on how this demonstrates the supreme power of God : “If I by the finger of God cast out demons, then the kingdom of God has come to you” (Luke 11. 20). St. John makes the broad categorical statement that “the reason the Son of God appeared was to destroy the devil’s work” (1 John 3.8).

In the writings of St. Paul there are many references to spiritual powers. It is clear that he accepts their existence, though it seems that he saw no reason to spend time differentiating between them. Once again the great theme is that Christ, particularly through his death on the cross (Colossians 2.15) has won a decisive victory over them. Though evil powers may continue to attack us, the power of Christ is more than sufficient to defeat them (Ephesians 6. 10-13, Romans 8. 38-39).

The Powers and Money

In *Money and Power*, written in 1950, though not translated into English until 1984, Jacques Ellul explored the language of “the powers” in relation to money. In his use of the term Mammon, he argues that Jesus was “not using a rhetorical figure, but

[610] G. B.Caird : *Principalities and Powers*. Oxford University Press. London. 1956. pp1-4.
[611] Caird, p10.

pointing to a reality......He is speaking of a power which tries to be like God, which makes itself our master. [612]

Ellul says that money gains its power from the buying-selling relationship, which, he suggests, is gradually involving everything in the world, including human beings. "Human beings....are turned away from their true end, their purpose (to glorify God), and at the same time are put under a false authority, one that is not God, whether this is directly or indirectly recognized". [613] He goes as far as to say, in fact, that this subordination occurs in *each selling transaction* (my italics) "which inevitably sets up a destructive, competitive relationship, even when the sale is of an ordinary object". [614]

In addition, Ellul confirms what I have just suggested when he says that this understanding of the selling relationship "helps us to better understand the whole Hebrew law, which in fact is concerned with protecting human life from the aggression of money". [615] In his Afterword (1979) he says, "All actions and transactions can be explained by the fact that everything has been turned into merchandise. In addition, value is defined as market value, and the first thing we think about in any area is merchandise....The law of merchandise exists wherever money exists. It does not result only from bad use, or from any particular economic structure : *money is implicated by its nature*" (my italics). [616] In 1950, however, he had been reduced to saying that how money gets its power "is an absurdity which neither economists nor sociologists are able to clarify". [617] He just had to say that it must be traceable to the spiritual power of money.

This is the reason, he says, for the assertion of Jesus that we cannot serve both God and Mammon:

> Do we really believe that if money were only an object with no spiritual significance Jesus would have gone that far ? To love money, to be

[612] Ellul, pp75-76.
[613] Ellul, p78.
[614] Ellul, p79.
[615] Ellul, p80.
[616] Ellul, pp166-167.
[617] Ellul, p81.

> attached to it, is to hate God. We can now understand why St. Paul says that the love of money is the root of all evil. This is not a hackneyed bit of popular morality. It is an accurate summary of this conflict. Insofar as the love of money is hatred for God, it certainly is a root of all the evils that accompany separation from God. [618]

He then goes on to develop the idea of Mammon as "one of the conquered, deposed powers which Christ, by dying on the cross, has stripped of authority…but it retains a strength that is greater than ours". [619]

I will return soon to the idea of money as a power. For the moment it is necessary to refer to the major weakness of Ellul's treatment - namely that he considers the only really effective way of countering the power of money is on the personal level. "The proper response to the poor will not be found in adherence to any group or programme. To try to respond by joining a party, by accepting a programme, by working at an institution, is to refuse responsibility, to escape into the crowds when faced with God's question….the only attitude that Christianity can require is personal commitment". [620] Is this, as we have seen elsewhere, the characteristic Protestant and Evangelical reduction of all social issues to personal morality ? Is it a reaction to the system of Communism which he found so unsatisfactory ? To do him credit, Ellul is right to say that all systems are subject to corruption by corrupt officials and general human weakness, and that the danger of campaigning and systems is that they can by-pass the need for personal commitment. "Of course," he says, "we must do everything possible to relieve misfortune, approaching the poor as if we were speaking to Jesus Christ himself". [621] But it seems that the strength of his doctrine of original sin has made him blind to the possibilities of corporate and state action – and thus to a whole area of countering the power which he sees as so invasive.

I now return to the question of money (or Mammon) as a spiritual power. For those who are sceptical about anything that cannot be seen or touched, this is an idea that may not elicit wide acceptance, but , in this post-modern age, it has suddenly become

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[618] Ellul, p84.
[619] Ellul, p85.
[620] Ellul, pp159-160.
[621] Ellul, p158.

more credible. Walter Wink has explored the idea of the principalities and powers as constituting a "domination system", which consists of an over-arching network of powers, characterized by unjust economic relations and oppressive political relations, which has persisted for at least 5,000 years, ever since the rise of the great conquest states of Mesopotamia around 3,000 B.C. [622] Wink prefers to think of these powers as impersonal entities and is uncertain whether they have actual metaphysical being. Rather, he feels that they have no existence independent of their material counterparts. [623] Of the reality of their power, however, he has no doubts, and he considers them to rule by means of a number of "delusional assumptions" - amongst which he includes :-

- Money is the most important value.
- The production of material goods is more important than the production of healthy and normal people and of sound human relationships.
- Property is sacred, and property ownership an absolute right. [624]

It is not clear whether he regards money as one of the powers, or (more precisely) whether there is a power behind the material counterpart of money (e.g. Mammon). It may be that he regards money as one of the instruments used by the powers to enforce their rule. There has been an on-going debate as to whether the principalities and powers are spiritual beings or the structures of human society. Markus Barth appears to allow for both, when he says that Paul denotes by them the angelic or demonic beings that reside in the heavens, but suggests that there is a "direct association" of these powers "with structures and institutions of life on earth".[625] For myself, I would accept that the powers to which Paul refers are spiritual beings, but suggest that money, as a human creation, should be regarded as a weapon in their arsenal (a cosmic power, but not a personal one). As a human creation, we could, with legitimacy, regard it as an idol. Altogether, when understood in all its ramifications,

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[622] Walter Wink *: The Powers That Be.* Doubleday. New York. 1998. pp39-40.
[623] Wink, *The Powers That Be,* pp27-29.
[624] Walter Wink : *Engaging the Powers.* Fortress Press. Minneapolis. 1992. p95.
[625] Markus Barth : *Ephesians : A New Translation with Introduction and Commentary.* (Anchor Bible) Vol. 1. Doubleday. Garden City, New York. 1974. p154.

money has become like a god, requiring human allegiance, bringing human beings into slavery, and frustrating the good purposes which God has for his creation.

Liberation Theology

Potentially the most promising theological attempt to cope with the power of money has been the Liberation Theology first developed in the Roman Catholic Church in Latin America during the late 1960s. Official Catholic reaction, however, has always been mixed, recognising the validity of attempts to produce an indigenous theology, but, at the same time, being suspicious of its Marxist inspiration. Pope John Paul II, from his upbringing in Communist Poland, was always sceptical about Liberation Theology. At the CELAM conference at Puebla, Mexico in 1979, he declared bluntly that "the idea of Christ as a political figure, a revolutionary, as the subversive man from Nazareth, does not tally with the church's catechesis". [626] Five years later, the Congregation for the Doctrine of Faith, headed by Cardinal Ratzinger (now Pope Benedict XVI) published an *Instruction on Certain Aspects of the Theology of Liberation* which was rather more negative. Sometimes known as "Ratzinger's Letter", this set out to draw attention "to the deviations and risks of deviation….that are brought about by certain forms of liberation theology which use, in an insufficiently critical manner, concepts borrowed from various currents of Marxist thought". [627] It recognizes that the expression "theology of liberation" is a thoroughly valid term. [628] However, the letter repeatedly accuses liberation theology of a reductionism that ignores basic elements of the Christian faith – of reducing sin to social structures, of making the struggle for justice the whole essence of salvation, of reducing the gospel to a purely earthly gospel, of equating truth with partisan practice, and of denying the transcendent character of the distinction between good and evil. A second instruction, two years later, according to Hebblethwaite, bears all the characteristics of an encyclical. Its central statement is a warning that "those who discredit the path of

[626] Peter Hebblethwaite : *Liberation Theology and the Roman Catholic Church*, in ed. Christopher Rowland: *Cambridge Companion to Liberation Theology*. Cambridge University Press. 1999. p182.
[627] Congregation for the Doctrine of Faith : *Instruction on Certain Aspects of the Theology of Liberation.* 1984. Introduction.
[628] Congregation, para 4.

reform and favour the myth of revolution not only foster the illusion that the abolition of an evil situation is in itself sufficient to create a more human society; they also encourage the setting up of totalitarian regimes". [629] At a further CELAM conference at Santa Domingo in 1992, Pope John Paul II reiterated the same kind of thinking. [630] Liberation Theology has not been banished, however, from the church, and it continues to inspire debate round the world.

The aim of Liberation theologians has always been to see the establishment of an economic order based on the satisfaction of basic needs rather than the domination of capital. To achieve this involves the challenging of the "sinful structures" that characterize the capitalist economy. Unfortunately, according to Valpy Fitzgerald, "A theology of the economy as such has not yet been fully worked out". [631] At the same time, "the orthodox prescriptions of macroeconomic policy have gone largely uncontested except by general denunciations of capitalism". [632] As part of this neglect, there has been little discussion of the nature of money – despite the dominant role ascribed to it by Marx. Gutierrez has a section on "God or Mammon" in his book *The God of Life*, in which he sets out the Biblical teaching that money can become an idol (or fetish), and argues that the first colonizers of Latin America were slaves of Mammon [633], but moves from there, without any further discussion, to the need to confront those who have followed in their footsteps. [634] It has fallen to Franz Hinkelammert, a German resident in Latin America for many years - in his book *The Ideological Weapons of Death* [635] - to look more seriously at the question of money and how it might integrate with a theology of liberation.

The first part of Hinkelammert's treatment is to expound Marx's discussion of the fetishism of money and capital, as found in the first book of *Capital*. Beginning (like

[629] Hebblethwaite, p194.
[630] Hebblethwaite, pp195-196.
[631] Valpy Fitzgerald : *The Economics of Liberation Theology*, in ed. Rowland, p225.
[632] Fitzgerald, p227.
[633] Gustavo Gutierrez : *The God of Life*. English translation by Matthew j. O'Connell. SCM Press. London. 1991. p61.
[634] Gutierrez : *The God of Life*, p63.
[635] Franz Hinkelammert : *The Ideological Weapons of Death.* English translation by Philip Berryman. Orbis Books. Maryknoll, New York. 1984.

Adam Smith) with the division of labour as the original seed of capitalism, Marx maintains that, as soon as a commodity enters the market, it develops a life of its own which in various ways controls the person to whom it belongs. Hinkelammert quotes him saying :-

> To find an analogy we must take flight into the misty realm of religion. There the products of the human brain appear as autonomous figures endowed with a life of their own, which enter into relations both with each other and with the human race. So it is in the world of commodities with the products of men's hands. [636]

This Marx calls "the fetishism which attaches itself to the products of labour as soon as they are produced as commodities". [637] Such fetishism becomes more obvious, however, when money comes to act as that by which all commodities are valued. Here Marx says

> Since money does not reveal what has been transformed into it, everything, commodity or not, is convertible into money. Everything becomes saleable and purchaseable. Circulation becomes the great social retort into which everything is thrown, to come out again as the money crystal. Nothing is immune from this alchemy…..Ancient society therefore denounced it as tending to destroy the economic and moral order. Modern society… greets gold as its Holy Grail, as the glittering incarnation of its innermost principle of life. [638]

The problem is, for Marx and for Hinkelammert, that money and capital (made up largely of money) can produce a system that can enslave those who are involved with it. Hinkelammert summarizes Marx by saying, " Capital, living off the life of workers in this manner, threatens them with death. Capital guarantees the life only of those workers necessary for its own life process. It therefore changes into an all-powerful force, capable of pouncing on and battering the worker at any moment". [639]

Hinkelammert seems to accept all this as a helpful analysis of what is happening under capitalism. In Part One, he merely quotes Marx and gives the impression of accepting

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[636] Karl Marx : *Capital*. Book 1, Part 1, Chap 1. p165.

[637] *Capital*. Book 1. Part 1. Chap 1. p165.

[638] *Capital*. Book 1. Part 1. Chap 3. p320.

[639] Hinkelammert, p30.

what he says. But then in Part Two he starts to develop a Christian theology which reaches much the same conclusions. Beginning with the bodily resurrection of Jesus as a demonstration of the eternal significance of bodily life, he uses the theology of St. Paul to show that God's purposes for Christians, and indeed for the whole world, are concerned with bodily, material life. In opposition are the powers of the law, sin and death, but the one who has faith in Christ is delivered from their control and starts in this life to experience what will be fully experienced when the world is finally redeemed. "When faith (the law of the Spirit of life) replaces the law, the law of sin and its realm of death are destroyed. In the law of sin the body was in slavery to the flesh. The body is now freed from this slavery. The self of sin and of the flesh is crucified and the body is resurrected for life". [640]

In the realm of sin and death, Hinkelammert argues that Paul gives a particular role to what he calls the "money god". His own translation of Ephesians 5.5. talks of "the greedy, who serve the Money God". He then makes much of 1 Timothy 6.10, which he interprets as saying, "the root of all evil lies in love of money – the money god. Previously the expression of sin was its inclination towards death. Now money is the root of all evil and drags its victims down "to ruin and destruction"". [641]

Later Hinkelammert refers to the "supernatural forces of evil" in Ephesians 6.12, of which he assumes money to be one, but regrets that, because of his position in history, Paul was not able to follow his convictions through to an effective praxis :

> He is unable to focus the question around any kind of praxis, simply because he has no adequate concept of the bodily connection uniting human beings. Such a concept would permit him to come to a more specific notion of authority and class structure on the basis of love for neighbour. He cannot use love for neighbour to mediate class structure and authority without such a bodily reference point, which in the last analysis is always the division of labour. Limited by being where he is in history, he cannot discover any kind of praxis either. Paul discovers the fetish as Antichrist but the only stance he can take toward it is eschatological. [642]

[640] Hinkelammert, p137.
[641] Hinkelammert, p140.
[642] Hinkelammert, p151.

The relevant praxis for the modern era Hinkelammert regards as that recommended by Liberation theologians. With this in mind, he launches into a condemnation of the characteristic theology of the Catholic Church, which he accuses of departing from the true path when it started to recognize private property as a natural right (in contrast to the teaching of Aquinas, who, while recognizing practical arguments for private property, asserted that the goods of the earth are for the general good). His particular argument is with the apparent acceptance by Catholicism of capitalist private property as the legitimate form of property. Clearly this is the philosophy of Pierre Bigo, whose works Hinkelammert quotes at some length. But it was also stated quite categorically by Pius XI in *Quadragesimo Anno,* speaking of Leo XIII and those who had taught under the guidance and direction of the church, that "their unanimous contention has always been that the right to own private property has been given to man by nature or rather by the Creator Himself". [643] At the same time, Pius re-affirmed Leo's assertion that "the delimiting of private possession has been left by God to man's industry and to the laws of individual peoples", but continued by saying "the state may not discharge this duty in an arbitrary manner. Man's natural right of possessing and transmitting property by inheritance must be kept intact and cannot be taken away by the State from man". [644] What may be different is the question of superfluous income which "is not left entirely to his own discretion" [645], and it is here that there enters the characteristic Catholic call for charity and a willingness to share with those in greater need. The same kind of assertion is made by John XXIII [646] and the Second Vatican Council. [647] The great point being made by Liberation theologians, according to Hinkelammert, , was that "they could not follow the path of hypostasizing a particular mode of property ownership and pretending that it was a direct conclusion from the gospel". [648] They had come to this through study of Marxist political economy –"not because they are Marxists, but because they explain something that no bourgeois social science even takes up, something that nevertheless is utterly basic for the way of faith to be made concrete". [649]

[643] Pope Pius XI : *Quadragesimo Anno* (1931). para 45.
[644] *Quadragesimo Anno*, para 49.
[645] *Quadragesimo Anno*, para 50.
[646] Pope John XXIII : *Mater et Magistra* (1961), paras 104-121.
[647] Vatican Council : *Gaudium et Spes* (1965), para 71.
[648] Hinkelammert, p177.
[649] Hinkelammert, p177.

The insistence that the goods of the earth cannot be claimed absolutely as private property but are essentially for general use strikes at the very root of the capitalist system. Recent unwillingness to accept it in the Catholic Church may perhaps be attributed largely to its paranoia concerning Communism. It was certainly behind much criticism of Liberation Theology. For Hinkelammert, however, this is the critical point in his philosophy. Refusal to accept it, for instance, has led to the "anti-utopianism" that has characterized the church from the Middle Ages to the present – that concentrates on spiritual issues to the neglect of the poor. He summarizes,

> Because life is a real and material life that cannot be replaced by any "true or spiritual life", this is the verdict that must be pronounced over property : a property system is legitimate only insofar as it is compatible with the real material life of all…This duty/right to live may therefore clash with the property system. To the extent that such a clash takes place, there is a duty/right to change it. In the last resort – and only in the last resort – this means the right to use force to carry out that change….If violence is to be avoided, owners must give way ….the right to life is never a right to property; it is always the right to real, material life, concrete life. [650]

In other words, Hinkelammert is definitely urging a socialist solution backed up, if necessary, by violence. And it is clear he is thinking not only about land, but of all kinds of property – which, in the contemporary situation, means money.

A second book *Property – for people, not for profit* which Hinkelammert wrote in partnership with Ulrich Duchrow, traces in much more detail the argument we have just summarized, giving particular emphasis to the part which I have already ascribed to John Locke. It is significant (in the light of my interpretation of Mammon) that the writers conclude with recommendations not about property, but about money, and about how its influence can be reduced in the world economy. These include proposals that the share of "debt-money" must be reduced and the share of debt-free money in circulation increased [651], that real interest should not exceed the added value

[650] Hinkelammert, p263.

[651] Ulrich Duchrow and Franz Hinkelammert : *Property – For People, Not For Profit.* English translation by Elaine Griffiths with Trish Davie, Michael Morton and Paraic Reamonn. World Council of Churches. Geneva. 2004. p189.

produced (which implies the political re-regulation of interest rates) [652], the cancellation of debts owed by developing countries (or their replacement by interest-free special drawing rights) [653], the development of alternative bank systems and credit co-operatives [654], and (in order to counter speculation) a turnover tax on all currency transactions (sometimes known as the “Tobin” tax, after its first proponent.) [655] The book closes with the call which Duchrow had been making for some time, and which had been taken up by a number of church bodies - that churches should engage in a “processus confessionis” against global economic injustice and the destruction of nature. [656] Significantly, this chapter is entitled “God or Mammon? A confessional issue for the churches in the context of social movements”. [657] The authors understand money/possessions (as I have interpreted Mammon) to be the great alternative power to that of God, and that Christians must take their stand on the side of God.

In his book “The Future of Liberation Theology” (2004), Ivan Petrella argues that Liberation Theology seems to have lost its way following the collapse of the Soviet Union and its satellite states and the general assumption that socialism has failed to produce the alternative society towards which expectations were built. He attributes this particularly to an obsessional focus on capitalism as a system to be overthrown. According to Petrella, this obsession was based on the “dependency theory” that the poverty and powerlessness experienced in Latin America were all the result of the oppression and domination of western powers. To some extent theologians were beginning to see the inadequacy of this theory, but, still regarding capitalism as a monolithic whole, had not analysed it sufficiently to discern what are the aspects of capitalism that are particularly problematic. In his words :

> The best way to combat the idolatrous nature of capitalism... is to rid it of its systemic, all powerful, all encompassing, quasi-divine quality. The task is to show that the idol is an idol; that it is made of clay. Only then can room be made for the development of new historical projects”. [658]

[652] *Property*, pp191-192.
[653] *Property*, p192.
[654] *Property,* p193.
[655] *Property,* p193
[656] *Property,* pp204-224.
[657] *Property*, p204.
[658] Ivan Petrella : *The Future of Liberation Theology.* Ashgate. Aldershot. 2004. p85.

To "show" that capitalism is idolatrous would require more detailed analysis. It would be the claim of this thesis that such a project needs to begin with an analysis of the role of money in the capitalist system, especially in its free-market form. In doing this, I would suggest that it is not sufficient to replace a blanket condemnation of capitalism with a blanket condemnation of money. Rather it requires consideration of why money is an idol, and precisely how it produces oppression. After that it will be possible to consider suitable praxis.

Engaging the Power of Money

I have listed some of the strategies recommended by Duchrow and Hinkelammert for dealing with the power of money. Many other similar suggestions have also been made. What these proposals have in common is that they seek to tackle the symptoms of money's power. Another strategy is to marginalize money – by creating new kinds of money separate from the dominant economy, or just operating without any money at all. The problem with creating new kinds of money is that they may ultimately come to produce the same negative effects as existing forms of money. And, even if there is no commodity called money, there will always be (as shown in chapter 2) a money of account. In general terms, the answer would seem to be to cut the roots of money's power as seen in the various sections of this thesis (e.g. by regulating debt and tackling the question of interest).

What cannot be overlooked is that money is never money *by itself.* It always *belongs to somebody* – the chief possessors being governments, banks and large corporations. This being the case, engaging the power of money will inevitably involve conflict with the chief owners of money – together with those who create money (creators of money) and those who decide the rules by which it is to be used (legitimators of money). Wink envisages a great global struggle against invisible powers, and he places enormous stress on the weapon of non-violence. While not disputing this, I would emphasize the practical reality that the chief owners of money, the creators of money and the legitimators of money (those who decide the rules by which it is used) are a formidable force who will be very reluctant to relinquish their power. If the realities of the power of money could be properly explained, it is possible that a grass-roots revolution could be stimulated. There are certainly many in the Christian tradition who place their hopes in the formation of grass-roots alternative societies, and it could be argued that this is what the Christians of the New Testament period were trying to create. There are some indications of greater understanding amongst politicians of the power of money as a result of the recent economic crisis. On the other hand, there are also signs that few lessons have actually been learnt, and it may take a far more severe crisis (which could well occur) to enable them to face up to the fundamental weaknesses and the oppressive character of our present system. In this respect, we might have to face the kind of 'battle' envisaged by the Book of Revelation. There is some consolation in the conviction asserted by that book that, whatever powers are raised against him, God is greater than them all.

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Conclusions

DE-CODING MAMMON

As I have been looking at money from various viewpoints, it has been against the background that, for most people, money is a useful commodity that has enabled fruitful exchange of resources and a growth in the world economy that has produced increased well-being for millions of people. Equally significantly, perhaps, it has been against the background of a dominant political theory that this growth and prosperity are best achieved by allowing markets (that is, money) to operate freely without restrictions. This theory has been dominant now for 30 years , though there has been a realization that some restrictions may be necessary, in order to control some of the more extreme fluctuations of the market. There is, as a result of the economic crisis which emerged in 2007, a feeling in many quarters that such restrictions may need to be strengthened if the crisis is to be brought to an end. For the great majority of Western governments, businesses and economists, however, there remains a general consensus that money should continue to be allowed to function as freely as possible. To some extent this may be the product of self-interest. It may also be the result of uncertainty or even fear about the effects that significant change might produce.

In the discipline of Christian theology there has prevailed for several centuries a generally positive view of money as an institution. It could be said that there has always been an appreciation of the dangers produced by love of money. Money itself, however, especially since the Enlightenment, has been seen as neutral or positive in its effects. The chief periods when there has been suspicion about it have been the medieval scholastic period and (amongst a few writers) the past 30 years. But, even now, there are still many who see things in the same way as governments, businesses and economists – possibly because they haven't considered sufficiently the kind of arguments adduced in this thesis. I repeat that my argument is not to dispute the usefulness of money or the many achievements which it has made possible. Rather it is to suggest that, along with the usefulness of money and its many achievements, the long-term Christian tradition, from the Book of Genesis onwards, has been to view it as a dangerous instrument – in fact, to see it as a cosmic power which works against the good purposes of God and the well-being of society.

I have entitled this thesis *De-coding Mammon*. In general terms, it could be said the whole purpose of the thesis has been to discover the reasons why Jesus was so suspicious of it. Nearing the end of this study, it should now be possible to see more clearly why this was, and to de-code more precisely what mammon actually is.

I have already suggested in the Introduction that mammon, at the time of Jesus, referred to all material possessions (whatever form they might take). Even the rich probably possessed little in terms of gold or silver. Most were rich because of the land or houses that they possessed. All of this, however, could be changed into money, and the money used for whatever purposes they wished. Those who were poor, in the same way, were those who possessed little or nothing in terms of land and houses – and, therefore, little that could be changed into money. It was on this basis that I felt justified in considering the writings of the Church Fathers on the subject of property. In our day, by way of contrast, people possess a much greater proportion of their possessions in terms of money. Even what they hold in other forms can be valued and realized in terms of money. I have argued, therefore, that in our day it is perfectly justifiable to apply Jesus' words about mammon to money (as it is, in fact, translated in a number of modern Bible translations).

I return, however, to the questions raised by the fact that Matthew and Luke made no attempt to translate the Aramaic "mammon" into Greek. I suggested in the Introduction that one of the reasons for this may have been the difficulty of finding a Greek word which was an adequate translation. In the section on the nature of money I then underlined the extraordinary complexity of money, and that it certainly cannot be regarded as a commodity like any other commodity. This being the case, it could well be that it was some appreciation of this that prevented a translation that might have identified money as a commodity (silver or gold or whatever). In other words, it could well be that Jesus, Matthew and Luke all saw wealth (even if sometimes held in the form of a commodity) as something more like the deceptive power that I have been suggesting money to be. While I pointed out in the Introduction that, in our contemporary situation, wealth is almost always understood in monetary terms – even if it is possessed in the form of land or property - the chapters on the nature of money have shown how money itself needs to be understood very broadly, as being expressed in all sorts of different ways, and this also suggests that money is best understood as something far larger than we have traditionally supposed it to be. The arguments presented by sociologists like Simmel have concentrated far more on the role that money plays than on that of which it may consist, and on the social relationships that it expresses. My own studies in the Christian tradition and the numerous negative values it encapsulates have linked it more to the language of powers used in the New Testament and in writers like Ellul, Hinkelammert and Wink.

The argument presented here has been a cumulative argument. In the chapter on money as a commodity, it was clear how easily it can be corrupted, how much it can vary in value, how easily it can be manipulated by those who control its use. At the same time, it was clear that it makes less and less sense to regard money as a commodity, in that it rarely exists nowadays in material form and is so easily created “out of nothing” by governments and banks. In this respect, money can be expanded enormously (theoretically as far as infinity). But this leads very quickly to instability, speculation, the over-valuation of money-trading in relation to productive activity, and eventually to the exhaustion of the resources of the planet. From a theological point of view, the Old Testament prophets (speaking before the advent of coined money) spoke out against the corruption of money through the use of false weights and measures. This was taken up by the scholastics, who also (following Aristotle) opposed the creation of money out of nothing (in the form of interest-bearing debt). In recent years it has come to be appreciated that virtually all money is created in the form of credit, and I have argued that it bears little relation to the wealth of the “real” economy, being used much of the time for speculative activity, rather than for improving the life of society.

In relation to money as credit or debt, I have shown that (for all its value in helping people out of difficult situations, and in generating new productive opportunities), the danger is of debts getting out of hand, so that they cannot be re-paid, of the poor being reduced to hopelessness, and of debt being used to further economic growth regardless of any negative effects. Here the Old Testament Torah legislates explicitly for the cancellation of all debts after seven years – so that, even if theologians don't argue today for cancellation in such a short period, there is a clear presumption in Christian theology that debt is dangerous and may sometimes need to be cancelled, that it should certainly be reduced, and needs urgently to be brought under control. The use of credit to finance commercial activity has now reached such a degree that many organizations and individuals are in perilous situations, and the danger of a general financial collapse is never far away.

In relation to money as interest, I drew attention to the side-effects of interest conveniently listed by Paul Mills : the unjust and destabilizing allocation of returns between the users and suppliers of finance, the misallocation of finance to the safest borrowers rather than to the most productive, a propensity to finance speculation in assets and property, an inherently unstable banking system, a short-termist investment strategy, a concentration of financial wealth in fewer and fewer hands, and a rapid flow of financial capital across regions and countries. I also referred to the real danger of producing inflation. I drew attention to how the necessity of paying interest (especially compound interest) can whittle away the resources of the poor, and how the making of profits in order to enable the payment of interest leads inexorably to unnecessary economic activity, to speculation and to the depletion of the planet's resources. In this area, although it allows interest payments to be made on loans to foreigners, the Torah forbids the charging of interest to a fellow-Israelite. Following Aristotle and their understanding of Natural Law, the scholastics opposed interest payments in principle, making as few exceptions as they could. This opposition has continued in Roman Catholic theology, and is being increasingly appreciated by writers in other traditions.

In relation to the question of justice, I have shown how the introduction of money has led to an individualistic attitude to life, to great inequalities between rich and poor, and to a seeking for profit out of others rather than seeking their benefit. By way of contrast, the Scriptures and the majority of both Jewish and Christian thinkers have always insisted that moral considerations should take precedence over financial ones, that care for the poor should always be the highest priority, that the interests of the community matter more than those of the individual, and that property (including money) should be shared for the benefit of all, rather than being the exclusive possession of individuals. In an economy where money is allowed free rein, this means public regulation and direction so that money is shared on the basis of justice.

In relation to the question of value, I indicated how giving monetary values to items, based on the prices they can obtain in the market, may bear no relation to their usefulness in the community, and has led gradually to the dominance of money values. At the same time, there are many things which cannot be valued in money terms, but which may be far more important than those which are. In this vein, the Bible and Christian theology emphasize continually values like solidarity, mercy, justice, health and care for the planet, and urge that value should be measured in moral terms. I mentioned a number of suggestions that have been made as to how monetary values could approach more closely to social value, but this is an area requiring much research.

In relation to desire, I underlined what many others have described – namely, how the fact that money can buy (almost) everything leads to money being the most desirable item in the world, and putting its acquisition before every other consideration. On the other hand, the teaching of the Christian tradition is to resist that temptation, and to desire ends like goodness, love and the benefit of others, trusting God to meet our needs through his love and generosity. What is clear is that our present capitalist society promotes selfish desire, and (from Adam Smith to the neo-liberals of today) almost justifies it. I have suggested, therefore, that the remedy required is not just a change of attitude in individuals, but radical changes to the system as a whole, so that the appeal to desire has less prominence, and the system is geared far more to human needs and the sustainability of the creation..

In the critical chapter on power, I have described how every money transaction involves a power relationship, and is distorted by unequal power relationships to the advantage of the powerful and the disadvantage of the weak. In this way, money becomes the dominant power in the world, and the interests of the weak and vulnerable are increasingly marginalized. I further under-lined the biblical teaching about cosmic powers, and the identification by Ellul, Wink and Hinkelammert that money is either a cosmic power or else an instrument of cosmic powers. For those who have difficulty in accepting the existence of such powers, I would suggest it must be clear, nevertheless, since money has been de-regulated, that it holds everybody in a grip from which it is virtually impossible to escape. The Bible and Christian tradition, on the other hand, insist that supreme authority belongs to God, that He must be served before anyone or anything else, and that his priorities are the interests of the poor and vulnerable. In our present situation, this would seem to require (at the very least) strong public regulation, especially to counter the unequal power relationships involved in money transactions, particularly where an individual faces the power of banks and large corporations and those who establish the rules under which money is used.

In general terms, it could be said that money (if not restricted in any way) favours the individual over against the community, the rich over against the poor, the self over against other people, economic growth over against the environment, and the material over against the spiritual (or immaterial). In this last respect, Jesus urges, "Do not store up for yourselves treasures on earth, where moth and rust destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven, where moth and rust do not destroy, and thieves do not break in and steal. For where your treasure is, there your heart will be also (Matthew 6. 19-21).

Money has great uses, but these numerous disadvantages demonstrate (in opposition to the current philosophy of free markets) that it needs to be used within strict limits designed to reduce these disadvantages to a minimum. If such limits cannot be established at the national level, then they need to be established internationally. The alternative of not using money at all I take to be both unrealistic and unnecessary. Much more fruitful, in the long run, would be creating money whose value was determined by social considerations rather than by market conditions. Tackling the problem from the grass-roots upwards by establishing zones with their own independent currencies may be a realistic possibility, but the effects of this tactic on the system as a whole could be very slow and (considering the immensity of the problem) too late. Local currencies may not be subject to as many disadvantages as national ones, but will still need to be watched carefully so that they do not develop the problems inextricably involved with all money.

Some of the more radical solutions may take time (and a lot of motivation) to be realised. In the long run they may well be unavoidable. My own conviction, however, bearing in mind the need for urgent action and trying to be realistic about what can actually be achieved, is simply to turn away from the doctrine of free markets which has ruled for too long, and to accept the necessity of much stronger and more extensive regulation of money in all aspects of the economy.

Ultimately, what we are facing is that money is a human construct, and that those who have constructed it are fallible, fallen creatures. Money is not something "natural" which has always existed. It is not a perfect construction, but one constructed over millennia to suit the interests of those in power. The Archbishop of Canterbury, in a recent book, rightly asserts that "regulation alone is ill equipped to solve our problems". He says, "The issues need to be internalized in terms of the sort of life that humans might find actively desirable and admirable, the sort of biographies that carry conviction by their self-consistency". And this, he says, means recovering "the language of the virtues" which has virtually disappeared in our day. [659] If this could be achieved, it would certainly make a great deal of difference, and it is the role of Christian preachers to argue that, in Christ, this kind of transformation is possible. However, it would be the claim of this thesis that a system has now been developed from whose clutches it is very difficult to escape. As earlier suggested, it may be that only a complete breakdown of the present system will persuade people that really radical action is necessary. The recent crisis has certainly dented confidence in the system, but, unfortunately, the rescue operation mounted has only succeeded in landing us with an even greater burden of debt than that which caused the crisis, and there is little sign of urgency in dealing with the sort of issues we have highlighted here.

[659] Rowan Williams : "Knowing Our Limits" in eds. Rowan Williams and Larry Elliott : *Crisis And Recovery – Ethics, Economics and Justice*. Palgrave Macmillan. Basingstoke. 2010. p29.

This may sound excessively pessimistic, but the heart of this study has been to demonstrate that our problems stem, not just from human failings, but from the nature of money itself. Rather like St. Paul asserted that "our struggle is not against flesh and blood, but against the authorities, against the powers of this dark world and against the spiritual forces of evil in the heavenly realms" (Ephesians 6.12), so I would argue that we are dealing here, not so much with human weakness, as with a cosmic power which exercises its influence at every level throughout the whole world - so that Jesus was totally justified in regarding it as <u>the</u> great rival to God. If the problems posed by the very existence of money are not tackled seriously, it could dissolve the whole fabric of our society – through the poverty and death of millions of underprivileged people, through bankruptcy of many states and through the increasing destruction of the environment. My argument would be that the one solution that could solve our problem would be to subject the whole system to the lordship of God instead of the lordship of money. Curiously, in a secular world, the starting point of redemption might be to take seriously the insights of Christian theology.

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