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DEBT IN INTERFAITH PERSPECTIVE

CATHOLIC, JEWISH, MUSLIM AND ANGLICAN WRITERS OFFER THEIR
VIEWS ON LENDING AND DEBT



**A consistent foundation
of love and justice**

A Roman Catholic perspective

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■ Usury has been the most challenging moral issue for many Catholics and other Christians over more centuries than any other. In the Old Testament, collecting interest on loans to fellow Israelites was prohibited (Exodus 22:25, Leviticus 25:35-38). This prohibition did not apply to loans to Gentiles. Jesus does not explicitly address the morality of interest and loans, except in the Parable of the Pounds, in which he makes reference to the possibility of investing funds in a bank at interest (Luke 19:23). In the early centuries of the Christian church, the church fathers are virtually unanimous in condemning usury, which they define as lending money at interest.

In the 12th century, Thomas Aquinas continues this condemnation. In the centuries that followed, it was acknowledged that there were external circumstances—

such as risk, loss to the creditor not having access to the funds or a cost in providing the loan—that could legitimate charging fees for the loan. Up until the 19th century in the Catholic teaching, there continued to be an opposition to usury in principle, but in an increasingly dynamic market economy, it was acknowledged that there was an increased number of situations in which legitimate fees could be charged.

Today Catholic teaching still opposes usury. However, usury is not presently defined as simply paying (moderate) interest on loans, but rather as charging excessive or unjust interest for loans. One example often cited is present day “payday” loans, on which interest charged can be in excess of 100% in a period of months. Today, lending and the issue of usury can be

international in scope. Pope John Paul II spoke of certain international loans owed by poorer nations in terms of usury as “a scourge that is also a reality in our time and that has a stranglehold on many peoples’ lives.”

Today, we realize that access to loans at reasonable interest rates for such things as studies, home purchases, and business development is necessary to participate in modern economic life. This is especially true for low-income individuals and families in Canada. Church-based international development programs have helped to provide microloan funds at modest interest rates in Canada and around the world. Historically, Canadian Catholic parishes organized parish credit unions to provide loans, especially in working-class districts.

Today the issue of debt language, with respect to the ethics of international relations, goes beyond simply talk of money. Pope Francis speaks of the injustice of a “true ecological debt” existing “particularly between the global North and South connected to commercial imbalances with effects on the environment” which have extended over long periods of time.

While the details and practical impact of Catholic teaching on usury have changed over the centuries, the underlying foundations of this teaching have remained constant: the Christian message of love and justice must reach into all areas of our lives, including our economic systems and the place of money in our lives.



‘If you shall lend...’ An approach to wealth, charity and choice

A Jewish perspective

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■ To appreciate the Jewish perspective on money, debt, interest and the accompanying civil and social relationships, it is important to understand two fundamental—and sometimes contradictory—principles that govern the Jewish approach to man’s conduct in the material world. Judaism teaches that the purpose of creation is to provide an opportunity for the created to transform the physical world into a dwelling place for God. In this material existence, seemingly devoid of Godliness, human beings have an opportunity to draw forth the Godly presence inherent in all things and reveal the world’s true divinity. Accordingly, Judaism views physical challenges as opportunities for spiritual accomplishment and connection with the Creator.

Consequently, Judaism regards money and wealth

as an opportunity to advance the divine agenda by investing in good deeds and helping one’s fellow man. Material wealth provides individuals with chances to give to charity, lend money to those in need, invest in the community and support positive initiatives. *Halacha*—Jewish law—includes an intricate series of charitable, civil and communal obligations that offer formal guidelines for ways in which individuals are expected to use their wealth to do God’s will and contribute to the intention behind creation. With money, a person has the power to affect positive change in the universe, and Judaism fully expects a person to take advantage of these opportunities and use their wealth in a way that is consistent with the divine intention.

Conversely, despite the expectation and obligation

to channel one's wealth towards good deeds and helping their fellow man, Jewish law strongly protects individual rights to property, wealth and a person's ability to choose *how* to spend their money. While Jews may have an obligation to give charity or lend money without interest, *Halacha* actually protects their rights to abstain from doing so. For example, a person in need does not have the legal right to take another's money based on the *Halachic* obligation to be charitable nor does the biblical directive to provide interest-free loans grant individuals a civil entitlement to demand them. Moreover, to incentivise lending and support the needy, the Rabbis instituted *Halachically* acceptable practices for lending with interest—usually a biblical prohibition—and other *Halachic* workarounds that would allow potential lenders to profit from what would otherwise be strictly charitable acts. And while it is true that *Halacha* does include several elements structured to ensure dignity and respect in all civil transactions/relationships, it maintains an individual's right to choose whether to engage in those processes or not. Thus, in an almost paradoxical manner,

Halacha protects a system of rights and civil processes that empower individuals to disregard the values upon which it is founded.

Herein lies the heart of the matter and the reconciliation of these seemingly contradictory approaches. The ability for mankind to fulfil the divine mission and create a dwelling place for God in this world is entirely predicated on having the freedom of choice to pursue this path or choose another direction. A person's choice to fulfil their divine obligations and convert the material into the spiritual is only meaningful and impactful because they choose to do so. As a result, when *Halacha* guarantees a person's rights to be miserly, lend with interest¹ or opt-out of communal support, it also maintains the integrity of choice and the significance of good deeds. When we choose to be charitable, forgive a debt or support a local institution, we are not only doing a good deed (*mitzvah*) but also drawing forth the Godliness in this world and connecting with the Creator.

¹ With *Heter Iska* or alternative *Halachically* acceptable methods of doing so.



Fearing God—and forgoing what remains of usury

An Islamic perspective

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■ Former Canadian member of Parliament Derek Lee once opened a speech at an international conference with the following words: "I always wondered why a baby cries after the birth. Now I know why! As soon as the baby realizes that he or she is a Canadian citizen and owes

thousands of dollars in per capita national debt, the baby starts crying."

Well! Joking aside, it is a matter of serious concern to many economists and policy analysts that a large number of Canadians are over their heads in personal debt.

In Islam, our Creator Almighty God and His last Prophet have strongly discouraged us from going into long-term debt and dying while in debt. The waste of money, food, water and other valuable resources is prohibited.

Allah has commanded in the Holy Quran not to be miserly and certainly not to be a wasteful person.

God Almighty knows that from time to time, people will need to borrow money for the necessities of life and thus has allowed short-term borrowing for immediate needs, with clear plans in place for the borrowers to return the loan as soon as possible. Muslims are commended to lend money for dire needs on the basis of "*Qarde Hasanah*": good loan, with no cost or interest.

Dealing in usury—now known as interest—is strictly prohibited. Chapter 2 in the Holy Quran states:

Verse 275: "Those who consume interest cannot stand (on the day of Resurrection) except as one who is being beaten by Satan leading him to insanity. That is because they say, "Trade is (just) like interest." But Allah (God) has permitted trade and has forbidden interest. So whoever has received an admonition from his Lord and desists may have what is past, and his affairs rest with Allah. But whoever returns to (dealing in interest or usury)—those are the companions of the Fire; they will abide eternally therein."

Verse 276 further emphasizes:

"God condemns usury (interest), and He blesses charities. God does not love any sinful ingrate."

In Arabic interest/usury is called "Riba." In the Old Testament, it is sometime referred as "Ribit." It is prohibited, and giving charity is encouraged in all three Abrahamic religions.

Let us look at what God says about good deeds, prayer and charity in Verse 277:

"Those who believe, and do good deeds, and pray regularly, and give charity—they will have their reward with their Lord; they will have no fear, nor shall they grieve."

The following two verses give clear warning to us:

278. "O you who believe! Fear God, and forgo what remains of usury, if you are believers."

279. "If you do not, then take notice of a war by God and His Messenger. But if you repent, you may keep your capital, neither wronging, nor being wronged."

As we know, God Almighty is all-knowing, compassionate and merciful. He knows that certain folks may have a dire need to borrow money and also that

some of them may not be able to return it to the lender. Here in Verse 280, God highlights these realities of life and advises us to extend the term of the loan and/or even forgo and convert it into charity, if warranted:

"But if he is in hardship, then deferment until a time of ease. But to remit it as charity is better for you, if you only knew."

Afterwards, in Verse 281, God gives us glad tidings and promises full reward for our good deeds and dealing humanely with each other:

"And guard yourselves against a Day when you will be returned to God; then each soul will be rewarded fully for what it has earned, and they will not be wronged."

We human beings have many weaknesses; forgetfulness, omissions, errors, misunderstandings and confusion are part of our nature. God Almighty in his infinite wisdom instructs us in detail, when we enter into trade, business, borrowing/lending or commercial relationship, how we should properly document, sign and have witnessed agreements and contracts. Consider the clear and detailed instruction in Verse 282:

"O you who believe! When you incur debt among yourselves for a certain period of time, write it down. And have a scribe write in your presence, in all fairness. And let no scribe refuse to write, as God has taught him. So let him write, and let the debtor dictate. And let him fear God, his Lord, and diminish nothing from it. But if the debtor is mentally deficient, or weak, or unable to dictate, then let his guardian dictate with honesty. And call to witness two men from among you. If two men are not available, then one man and two women whose testimony is acceptable to all—if one of them fails to remember, the other would remind her. Witnesses must not refuse when called upon. And do not think it too trivial to write down, whether small or large, including the time of repayment. That is more equitable with God, and stronger as evidence, and more likely to prevent doubt—except in the case of a spot transaction between you—then there is no blame on you if you do not write it down. And let there be witnesses whenever you conclude a contract, and let no harm be done to either scribe or witness. If you do that, it is corruption on your part. And fear God. God teaches you. God is aware of everything."

Glory be to Almighty God who has shown us the Light!
And Allah (God) knows best!



Forgive us our debt: The Lord's Prayer and lending practices

An Anglican perspective

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■ Debt is an economic issue; it is also a moral and political one. Anthropologist David Graeber describes the history of debt as a scene of profound moral confusion. This confusion is most obviously displayed, he writes, in two commonly held assumptions: “1) paying back money is a matter of simple morality, and 2) anyone in the habit of lending money is evil.”²

Debt is described, here, as an obligation, but it is an obligation that inclines toward anxiety and resentment. Antipathy towards creditors hardly sets the stage for gracious human exchanges. At the same time, the sentiment that moneylenders might often be morally corrupt or deficient does not come out of thin air. It reflects the fact that reckless lending and aggressive and unfair collection practices have been all too common in our experience.

Still, it is unwise to navigate an area of moral obligation on the basis of assumptions, and people of faith may turn to their religious traditions to seek guidance. Debt, which has to do with the question of what human beings owe to one another, has been the subject of ethical reflection for millennia, which means that resources are abundant. My own thinking on the subject is framed within the Anglican tradition of the Christian faith.

Within that tradition, the obvious place to begin is with the Lord's Prayer. Nestled within this prayer is a

teaching on debt: “Forgive us our debts, as we forgive our debtors.” The assumption that all debts must be paid is challenged by the prayer's recognition that not all debts can, or will, be paid and that clemency is necessary.

In the prayer God is implicitly depicted as a creditor or lender. This means that the lender, as well as the borrower, is a moral agent. The person who lends must attend to how the terms and conditions that are set will affect the one who borrows.

Jesus offers a more in-depth analysis of the politics of debt forgiveness in his parable of the unforgiving debtor (Matthew 18:21-35). Here we see a person with a considerable debt forgiven by the king—that is, the political authority. In modern terms we might describe this as a government bailout. This debtor is, in turn, also a creditor, and he proceeds to viciously prosecute a small-time borrower. The parallels to the 2008 economic crisis are eerie. Large financial institutions were bailed out and, as a report from the American Civil Liberties Union revealed, states and counties within the United States began to aggressively collect legal debt from men and women who had already served criminal sentences and were in no position to pay.³ The report, *In for a Penny: The Rise of America's New Debtors' Prisons*, outlines the incredible human cost, wastefulness of resources, and undermining of the criminal justice system that these practices of debt collection impose

² David Graeber *Debt: The First 5,000 Years*. (New York: Melville House Publishing, 2011), 8.

³ *In for a Penny: The Rise of America's New Debtors' Prisons* (American Civil Liberties Union, October 2010, 5) available online at https://www.aclu.org/files/assets/InForAPenny_web.pdf#page=6 Accessed on October 23, 2019.

upon society as a whole.

Jesus, in his teaching on debt and debt forgiveness, drew on a tradition of thought that extends back to the days of ancient Israel. Already in those days repayment of debt included the possibility of debt slavery—of people being sold or selling their children into slavery to pay off debts. Part of the biblical solution to this was the year of Jubilee recorded in Leviticus 25, in which those in slavery or debt bondage were to be released and land returned to its original owners. Thus, debt would not be allowed to accumulate, nor would the burden of resentment be allowed to increase.

What each of these teachings reflects is a concern for social harmony and the well-being of both debtors and creditors. St. Paul, in Romans 13:8, expresses the heart of this teaching quite succinctly: “Owe no one anything except to love one another, for whoever loves another has fulfilled the law.” Our obligations to one another extend beyond the merely financial and economic, and those obligations should be a source of grace and mutuality. When they have become a source of anxiety and resentment, then it is time to rethink the way we are living, borrowing and lending. ■