

Debt Forgiveness

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*Sixteen tons and what do you get?
Another day older and deeper in debt.
St. Peter don't you call me, 'cause I can't go.
I owe my soul to the company store.*

Ancient Witnesses: Deuteronomy 15:1-5
Luke 4:16-21

In the 1950's and 60's, the CEO's of major American companies took home about 25 to 30 times the wages of the typical worker. By 1980 the big company CEOs took home roughly 40 times the worker's wage. By 1990, it was 100 times. And by 2007, executives at the largest American companies received about 350 times the pay of the average employee. It's now at least 400 times higher.

After the meltdown in 2008, we recently witnessed another huge transfer of wealth from the bottom 90% to that small economic elite--\$4.6 trillion was pumped into the Wall Street banks at 0% interest. And then we saw the obscene bonuses paid out to many executives of those failed institutions.

I read where the top 25 hedge fund managers made an *average* of \$1 billion *each* in 2009, while wages for those in the lower and middle classes have fallen over the past 35 years, with inflation.

Today, the average debt is a record high of \$104,000 per household. This includes mortgage, auto loans, healthcare and credit card. Americans have over \$1 trillion in credit card debt with 22% owing between \$10,000 and \$20,000, with the average interest rate over 27%! (Forbes)

Last week the Biden administration forgave \$7.7 billion in student loans. His original plan was to forgive \$430 billion, but the Supreme Court struck down most of it, and only a third, about \$144 billion, had actually been forgiven for 4 million borrowers, \$10,000 to \$20,000 for qualified students. Now this is good news. And it sounds like a lot of money until we realize that the total debt is \$1.75 trillion for over 43 million borrowers. The average debt is \$40,000 while many students are buried under mountains of debt of hundreds of thousands of dollars. This is a debt that many will never be able to repay. And since 2005 with college debt, one cannot even declare bankruptcy. It follows you and your families for generations.

Yet, for even this modest relief there has been vocal opposition. Ironically, businesses of some of the congressional opponents were themselves recipients of debt forgiveness of the federal Paycheck Protection Program loans, some in the hundreds of thousands of dollars. Debt relief for the rich, debt bondage for the poor and working class. And of course, there was hardly a peep in 2018 when congress passed a \$2 trillion tax break that went almost exclusively to the rich.

And here is part of what I have to say today: *Any social system that results in an ever-growing gap of wealth is unjust.* Any society that yields such inequality is—I’ll use the word—sinful. I’m not talking about sin the way you hear most preachers talk about it, as individual morality. I’m talking about it as a social condition—a dysfunction in which we all participate by virtue of being in a given society. As Abraham Heschel once said, “Some are guilty, but all are responsible.” We all bear some responsibility for a system that produces a few jackpot winners and many losers.

This is what the prophets talked about. This is what the concept of justice is about. There is something called “social sin.” Playing by the rules is not enough, because the rules are rigged!

And both for Jesus and throughout the Bible, the overriding concern for social sin was not sex, it was economics. And yet we hear virtually nothing from the pulpits on this subject!

In the Bible, charging interest on a loan to the poor and vulnerable, called “usury,” was forbidden. (Exodus 22:25-27) But in our nation, they not only pay interest, they pay a higher interest than the rich! And yet, what church is talking about that?

I like how Jesus and Jewish law dealt with the injustice, the social sin of economic disparity. Basically they don’t focus so much on the “why,” although they did talk a lot about greed and hard hearts. Rather, they focused on establishing equality and redistributing the wealth regardless of the cause with the idea of “jubilee.”

Hebrew scripture scholar, Walter Breuggeman, calls the teaching in Deuteronomy 15 about the jubilee “the most radical teaching in the whole of the Bible.” What is the year of jubilee, and why is it so radical? Every seven years, according to Jewish law, all debts were forgiven and all servants were to be released, and after 49 years on the “year of jubilee,” all property that had been in anyone’s family was also returned to them.

What you had was money becoming concentrated into fewer and fewer hands. In the time of Jesus, for example, the taxes were so heavy upon the people that they often had to mortgage their property just to pay them. So the person would become a sharecropper, working to pay off the debt. But instead of paying it off, one would lose ground, becoming deeper and deeper in debt. And one day, the creditor demands that the mortgage is paid. When it is not, the land is confiscated and the whole family is sold into slavery—men, women and children—to pay it off.

But this law in the Jewish Torah says that you never have to work more than six years and the rest of the debt is cancelled. And therefore, says Breuggeman, this law was designed so there would be *no permanent underclass*, when debt would grow so big that one can never get out of it.

New Testament scholar, Ched Myers, said,

This was intended as a hedge against the inevitable tendency of human societies to concentrate power and wealth in the hands of a few, creating hierarchical classes with the poor at the bottom.

And so what we have here is a *biblical principle of redistribution of wealth*. “The Deuteronomic tradition would never concede the autonomy of the market or of the economy,” said Breuggeman. “The forgiveness of debts subverts all conventional social relationships” and “breaks all vicious cycles of control and abuse.” The writers of Deuteronomy say that Israel went into exile because it did not practice neighborliness, in the economic realm and otherwise, and that they could only make it back to the “promised land” by remembering to order their lives in this way.

And Jesus, himself, quite clearly, carries forth this jubilee principle of redistribution of wealth from his own tradition.

It is Matthew’s version of the Jesus Prayer that we use that uses the word “debts,” while others have settled on Luke’s version that uses “trespasses.” Many scholars believe that the version in Matthew is the oldest, and therefore most authentic of the two. (Often the church tries to harmonize these two versions, with paraphrases saying, “forgive us our sins as those who have sinned against us.”)

The word, *opheilema*, or “debt,” always is used to specifically signify real *monetary debt*. So according to John Howard Yoder, the prayer “tells us purely and simply to erase the debts of those who owe us money.” It is a jubilee prayer, he said. It means “the time has come for the faithful people to abolish all the debts which tie the poor ones of Israel, for your debts toward God are also wiped away.” According to Yoder and others, Jesus thought that the essence of the jubilee should be followed.

Today’s reading from Luke is an account of the beginning of Jesus’ ministry, his first sermon. It’s very significant because Luke is setting the tone for all of Jesus’ words and actions which are to follow. And so we have Jesus starting things off by standing up in the synagogue and reading Isaiah’s vision of the jubilee!

*The Spirit of God is upon me,
because God has anointed me to preach good news to the poor.
God had sent me to proclaim
release of the captives and recovery of sight to the blind,
to let the oppressed go free,
to proclaim the year of Our God’s favor (jubilee year).*

Jesus then said, “This is now fulfilled in your hearing” or in other words, “Today is the time for this to happen. Right now!” This is radical stuff, and at the end of his sermon, they tried to throw Jesus off a cliff. Ched Myers concludes,

The Bible recognizes that inequalities will inevitably arise in a “fallen” society—a realism it shares with modern capitalism. Unlike the social Darwinism of the latter, however, the biblical vision refuses to stipulate that injustice is therefore a permanent condition. Instead, God’s people are instructed to dismantle, on a regular basis, the fundamental patterns and structures of stratified wealth and power, so that there is “enough for everyone.”

Now, almost all societies, to one extent or another, practice the principle of redistribution of wealth among their people. They provide for social safety nets and things for the public good. Sometimes this principle is under attack and in retreat, and sometimes it is more popular. In the United States we have gone through phases in which wealth has been concentrated into the hands of fewer people and then periods of redistribution of wealth.

For example, there was the Gilded Age which was followed by the Progressive Era; there was the Roaring Twenties which was followed by the New Deal. In those periods of extreme disparity of income and wealth, and when there was a large gap between the rich and poor, the prosperity was not shared. And this led to economic collapse.

And so the idea of redistribution of wealth is important not just because it is ethically and morally important. But, as it says in verse four of Deuteronomy 15, do this and “there will be no one in need among you.” In other words, *it works!* As the saying goes, *Everyone does better when everyone does better.* The prophet, Jeremiah, said that when our ancestors did justice and righteousness, *then* it was well with all of them. Then everyone did better. Many economists note that the tremendous prosperity enjoyed for a generation after World War II can be attributed to a new sharing of wealth and incredibly large middle-class that arose after the Depression and New Deal. This was the engine driving the economy. Even Henry Ford realized that his workers needed to be able to buy the product that they made, and so he paid an unprecedented salary for workers at that time. The age-old wisdom that a broad distribution of wealth works is true.

Years ago Robert Reich, former Labor Secretary and now teaching at Berkeley, wrote,

None of us can thrive in a nation divided between a small number of people receiving an every larger share of the nation's income and wealth, and everyone else receiving a declining share. The lopsidedness not only diminishes economic growth but also tears at the social fabric of our society. The most fortunate among us who have reached the pinnacles of economic power and success depend on a stable economic and political system. (“Unjust Spoils,” *The Nation*, June 30, 2010)

As we now find ourselves in a period of extreme economic inequality, like the one that preceded the total collapse in the 30's, Reich says we need to learn from the past:

Policies that generate more widely shared prosperity lead to stronger and more sustainable economic growth—and that's good for everyone.

How do we do this? Well, there are many ways to apply the jubilee ethic of Judaism and Jesus. First, there is the concept of *progressive taxation*. This is the idea that the more one makes the higher the percentage one pays on taxes. After World War II the tax rate for the very top small economic elite in 1960 was about 91%. In the 70's this went to about 70%. In 1987 it went down to 28%. And today we have huge corporations that pay no federal taxes at all every year.

Another way to apply the jubilee ethic is to *strengthen labor laws*. As we see a resurgence of unions, many large corporations engage in illegal practices to prevent them.

Finally, the jubilee ethic is about real, honest-to-goodness *debt forgiveness*. The principle of the jubilee—of greater sharing of wealth, of more equal distribution in society—is at the heart of our religious tradition. Economic justice, concern for the “common good,” the well-being of the whole is affirmed by the tradition over and over again. Praise God!