JUBILEE 2000: IS IT REALLY BIBLICAL?

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The following speech was presented by Dr. Robert V. Andelson at the closing brunch of the Council of Geologist Organizations conference held in Des Moines, IA, Sept. 24, 2000. It was followed by commentary by Alanna K. Hartzok, and discussion. The last nine paragraphs are adapted from Dr. Andelson's editorial introduction to the third edition of Land-Value Taxation Around the World (490 + xlii pp., $40 hardcover, $20 paper.) Among his other books are Critics of Henry George (1979, out-of-print), Commons Without Tragedy (1991, 198 + ix pp., $48 hardcover), and, with Dr. James M. Dawsey of From Wasteland to Promised Land (1992, 145 + xiv pp., $14 paperback). Except for Critics, which is out-of-print, the books are available at these discounted prices only through the Robert Schalkenbach Foundation, 1-800-269-2555. Website: http://www.progress.org/books

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With your indulgence, I'd like to share some personal background with you, so that you'll have a better idea of where I'm coming from on the issue of Third World debt forgiveness.

Before I was born, my father was a successful businessman in Madison, Wisconsin, and my mother was head buyer of women's ready-to-wear at the main department store in town. Because of circumstances for which he was not responsible, my father went bankrupt. They moved to Los Angeles, where my mother's family lived, hoping that my father could find a new start and get back on his feet. But the Depression was in full swing. Instead of getting back on his feet, he had a heart attack. Then, while a passenger, he was seriously injured in an auto accident. He spent most of those years in the veterans' hospital at Sawtell, and died when I was barely three years old.

My mother had become the family breadwinner, but there was no market in L.A. in those Depression years for people with her experience. She was handy with needle and thread, so, after having been head buyer with a large staff under her, she became a seamstress and alteration woman. Yet, somehow, in these menial, low-paying jobs, by dint of rigid budgeting, she managed not only to put food on the table, but to save enough money to enable her, after about a decade, to purchase a small dress shop on Hollywood Boulevard in partnership with a cousin, which she then operated for some twenty-seven years. But (more to the point, so far as our topic is concerned), by

the time I was in high school, she had paid back every penny my father owed, even though his debts were not legally collectable, and his creditors (with whom she had no ties of family or friendship since they were faceless financial institutions) had long since written them off. She did this at tremendous personal sacrifice simply because she believed in the sanctity of contracts.

Lest you imagine from all this that my mother was some sort of austere, puritanical drudge, let me hasten to add that she was an elegant woman, noted both for her impeccable taste and ready wit, who had been raised in comfortable circumstances and who relished the "finer things in life," but she believed in putting first things first. She never preached to me, but taught me by example. Some of you may have noticed that I have crooked teeth. That is because money that might otherwise have been spent on orthodontia went instead to pay my father's debts. My crooked teeth are not a source of shame to me; they are a source of pride. Every time I look in the mirror, they remind me that my father's obligations were discharged.

President Calvin Coolidge has often been ridiculed for his reaction to the fact that after World War I, every nation that owed this country war debts, with the sole exception of Finland, expected that they would simply be annulled. "They hired the money, didn't they?", he said. With his rock-ribbed New England conscience, he just couldn't fathom the mentality of those who would enter into agreements and then seek to evade them when fulfilling them became inconvenient. For his, as I have said, he is now ridiculed! People today can default on their financial obligations yet continue to lead lives of luxury, with neither legal penalty nor social stigma. We've lost something important in this country when promises are taken lightly and evasion is made easy. The American ethos has become flabby.

I may be old-fashioned, but I start as Calvin Coolidge did with the presumption that there is a moral obligation to repay debts. Forgiving debts may be enjoined upon the individual since all of us have been forgiven by our Heavenly Father. But this is something we owe to the Heavenly Father, not to those who owe the debts to us. Even then, they should be forgiven judiciously and responsibly lest habits of dependence and attitudes of entitlement are engendered. I have personal experience of having lent money to people who turned out to consider it an entitlement and who made no attempt to fulfill their obligations. Had I let them get away with it, I would have done them no favor.

Governments exist to uphold justice for their people, not to bestow benevolence upon them or upon other people. That is because governments have no wealth of their own to bestow. It is exacted coercively from the taxpayers. Had the money been loaned by us individually and voluntarily, I might advocate forgiving Third World debt on grounds of compassion though not of right, but

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it was our tax money that was loaned -- $7 billion directly and the rest through the World Bank and the International Monetary Fund. If our tax money is to be given away, especially abroad, it should be on grounds of justice and not compassion. Justice does not contain the grounds that debts should be forgiven simply because those that owe them are in need. It may be objected that many of these debts, possible most of them, were contracted by corrupt non-representative governments. Oftentimes, money went into the pockets of venal leaders or was squandered on armament and grandiose projects that did nothing to help the people. If a nation wishes to repudiate obligations entered into by previous non-representative regimes, as the Soviet Union did with regard to Tsarist obligations, that is its right provided that it ceases to avail itself of any advantages accruing from the borrowed money, and is willing to accept the status of being an unacceptable credit risk. Yet so long as the nations in question affirm some sort of organic unity with their past despite changes in government, even drastic ones, they must be willing to accept responsibility for agreements entered into by past regimes.

Careless borrowing is by no means confined to autocracies. Popular government has a built-in tendency toward deficit spending. There are a few exceptions that could be cited, such as Switzerland, but they are negligible. Politicians seek to secure election or re-election with lavish subsidies and generous social programs, but scarcely ever on a pay-as-you-go basis. In this country, the bill is passed on in the form of inflation or a debt to be paid by later generations of taxpayers. But in many other countries the currency is already nearly worthless, and there is no prospect of increased productivity by later generations. So natural resources and other national assets pass into the hands of foreign creditors.

However much one might sympathize with the suffering multitudes of the Third World, simply to call for debt forgiveness for their nations does nothing to correct (and may actually help to perpetuate) the underlying structural causes of their poverty.

Nevertheless, there are important instances where I believe that our national interest would justify the forgiveness of Third World debt in return for a quid pro quo. Much as we would like to see justice prevail in other parts of the world, our government has no constitutional mandate to interfere in the internal affairs of other nations. Its proper concern is with our own national interest, and with the establishment of justice elsewhere only when our own well-being is at stake. But our own well-being and the rights of future generations of Americans are dependent on the preservation of the global habitat. If, for example, the Amazon rain forest continues to be destroyed at the present rate, the adverse impact upon us as well as the rest of the world could be incalculable. Hence, it seems to me that in such cases a "debt for nature swap," makes good sense.

But I submit that the appeals for Third World debt forgiveness by Pope John Paul II, and the Reverends Pat Robertson and Billy Graham, Archbishop Desmond Tutu, and all the other spokespersons for the Jubilee 2000 movement, are misleading. Far be it from me to impute deliberate dishonesty to these individuals, yet as religious leaders schooled in Scripture, they, of all persons, should know that the Biblical Jubilee was but one part of a total system of taxation and land tenure that also included the tithe and the initial equal division of the Promised Land by Joshua among the several tribes and families. This system may be considered the ancient Hebrew equivalent of Georgism, designed both to preclude the development of land monopoly, and to provide a stable and equitable source of revenue for those who performed public services. Although scholars disagree as to whether it was even actually implemented, it was admirably suited to the primitive agrarian milieu for which it was designed. Debt forgiveness today may or may not represent responsible benevolence according to the circumstances, but from a Biblical perspective it constitutes a structural requirement of justice only in the context of this total system.

The Jubilee concept of debt forgiveness was set forth in the 25th chapter of Leviticus. That concept for debt forgiveness there was based on equity rather than on mere compassion for the poor, and was integrally related to a regime of land tenure and public revenue designed to create and maintain equal access to natural and community-created opportunity.

The object of the Biblical Jubilee was not to impede the discharge of legitimate contractual obligations. It was to assure that illegitimate ones would not arise. It was to assure that "the land [could] not be sold forever," thus thwarting the possibility of long-range monopoly and the permanent division of society into hereditary "haves" and "have nots." For under its provisions, no-one could permanently alienate the patrimony of later generations.

The royal "Clean Slate" proclamations of ancient Babylonia (described by Michael Hudson in Chapter 2, Privatization in the Ancient Near East and Classical Antiquity, available from the Robert Schalkenbach Foundation) have obvious affinities to the Jubilee provisions in Leviticus; quite possibly, both drew upon a common, earlier tradition. Each called for the periodic restoration of land which had been pledged as security and forfeited for unpaid debt. But the latter was part and parcel of a coordinated structure designed to secure to each family and generation within the Hebrew commonwealth the equal right to the use of the land, of which God was recognized as the sole absolute owner.

In the Book of Numbers we find a description of how a census of the Hebrew tribes and families was taken on the plains of Moab before they entered into the Promised Land. Every tribe (except for Levi, for which other provision was made), and, within each tribe, each family, was to receive its proportionate share, depending on its size. To ensure fairness, the final apportionment was to be by lot.
As recounted in the eighteenth and nineteenth chapters of the Book of Joshua, the actual distribution of land in keeping with these stipulations was concluded at Shiloh. According to Josephus, the territory was not divided into shares of equal size, but rather into shares of equal agricultural value. But Talmudic commentary holds that value was determined by location (distance from Jerusalem) as well as by fertility.

I have mentioned that the tribe of Levi did not share in the equal division of the land. This is because it was set apart for priestly functions. Since the early Hebrew polity was theocratic, these functions embraced the carrying out of what we would consider to be governmental duties as well as ceremonial ones. To bring the Levites' ministrations within the reach of all the people, they were given official residences and surrounding acreage in forty-eight cities, but that was only a small fraction of what they would have received had they been born into any other tribe. The tithe, one tenth of the produce of the land occupied by the eleven other tribes, was instituted partly as an indemnity to the Levites for the equal share which they did not receive in the division, and partly as payment for their public service. Thus it was, in point of fact, a land-value tax, and operated as a mechanism for effectuating the substance of equal rights to land, alongside of and compatible with unequal physical division of the land itself.

As modern land reformers have discovered, it is one thing to devise a one-time apportionment that is fair, and quite another to keep it that way. That is why the Mosaic Law established the Jubilee Year. At the end of every forty-nine years, any alienated lands -- those given away, sold, or lost from unpaid debts -- would be restored to the original families. (Temporary possessors were to be compensated for any unexhausted improvements they had made.) Thus the value as collateral of landed property diminished as each Jubilee Year approached, and with it, the possibility of forfeiture because of loans that could not be repaid. Hence there was no pecuniary incentive to make such loans. Concentrated ownership and the partition of society into landed and landless classes, was thereby prevented from creeping into the system. The Jubilee effectively took the profit out of mere landholding as such, leaving no incentive for speculation.

As I said earlier, some scholars hold that the Jubilee laws were never fully implemented. If this be so, it in no way invalidates the statutes' wisdom and justice, but merely demonstrates the all-too-human foolishness and arrogance of the nation that had been privileged to receive them, a judgment recorded in its own sacred write: "They have rejected the law of the Lord, and have not kept His statutes."

It is certainly not my intention to suggest that the Mosaic plan could be used as an exact blueprint in a society that has moved past the pastoral or agricultural stage. But the public appropriation of economic rent, whether through an annual tax on land values, through a system of leasehold, through a tax on the abstraction of resources from nature, or through some combination of these, can, if sufficiently robust, accomplish the same objectives for our time.

(Editor's note: On November 6, 2000, President Bill Clinton signed a foreign aid bill that supplies $435 million toward debts forgiveness of 41 of the world’s poorest counties. In doing so, the United States joins other major industrialized nations in forgiving these Third World loans. Through a special debt relief program, the World Bank and International Monetary Fund met a goal to lift debt service obligations by Dec. 31, 2000 from 22 of the world’s poorest countries, 18 of them in Africa.)