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OPINIONS

What does Debt Do To Us?

—Brian Dijkema—

There is an ongoing discussion, between various economists on the left and right in the United States, on how to understand debt.

Paul Krugman is in favour of accruing national debt for the sake of stimulating a stalled economy. He implies that economic growth is stalled due to a lack of demand among various sectors of the economy, and that government spending—enabled by government borrowing—is what is needed to kick-start the American economic engine. This is exactly the argument he made last year at the Munk debate in Toronto.

He suggests that those who see government debt as a guillotine hanging by a thread over the head of the American public have it wrong. Says Krugman, “Debt can be a problem, [but] the way our politicians and pundits think about debt is all wrong, and exaggerates the problem’s size.”

Those who see debt as a problem make an analogy between debt within families and national debt. This is wrong, according to Krugman, for two reasons:

First, families have to pay back their debt. Governments don’t—all they need to do is ensure that debt grows more slowly than their tax base [and] . . . Second—and this is the point almost nobody seems to get—an over-borrowed family owes money to someone else; U.S. debt is, to a large extent, money we owe to ourselves.

At first glance this is all plausible. But it also seems to beg more questions than it answers. What does it mean, for instance, to avoid paying back debt that you owe to yourself? If, as David Rosenberg said in the Munk debate, “one person’s debt is another’s asset”, what do you do with all that debt? I suppose Krugman’s answer is this: service the debt. You don’t actually need to pay it back; you simply need to stay ahead of it by growing your tax base. And, in this case, you grow your tax base through the expenditure of government funds, which will stimulate non-government economic actors to greater performance. The hope is that the non-government actors will eventually generate enough economic growth to allow the dog to rest from chasing its tail.

But, is this sustainable? What happens if the desired affect of government stimulus doesn’t work, as appears to be the case at present in the U.S? Why is the state best suited to do this? And, that nagging question—is this all *just*? It would seem that in either case, the citizen must place a lot of faith in the few that run the country to watch after their economic well-being; faith that places a great deal of risk on them if things go wrong.

Paul Mills writes in *Comment* magazine that while debt finance often boasts relational simplicity (for example, between the borrower and the lender), 2007 proved this is less than a half-truth of how the system really works. Debt-based systems and the banks that facilitate them only survive by passing costs onto ill-informed or powerless third parties.

If this is true for big banks, might it not be equally true for big government?

Heaven is Chesterton Meeting Steve Jobs

—Peter Stockland—

Great progress is best measured, I think, in the splendour of small and easy things combining to make the good available to all.

Apple’s iPad is a small and easy thing. Apple’s iBooks is a small and easy program. Put them together and you are able to get, as I discovered during Christmas, more than 7,000 pages of G.K. Chesterton for a mere \$1.99.

Yes, that is correct. \$1.99. For less than the price of a medium cup of coffee, and in a matter of mere seconds, all who truly love the English language can literally hold in their hands 400-plus collected works by the great G.K.

From *Heretics to Orthodoxy*, from the *Crimes of England to the Innocence of Father Brown*, *The Club of Queer Trades* and the magisterial essay on Dickens, it’s all there and, of course, all good.

Granted there are those who will say, as my daughter did in an effort to tone down my whooping, that they wouldn’t care to read one page of G.K. Chesterton for free. It is common for human beings to be careless with their freedom. Yet Chesterton is the one English writer we should read to truly understand how to safeguard it.

Born in the spring of 1874, dead in June of 1936, Chesterton’s life spanned the Victorian and Edwardian eras. The argument was made by George Orwell among others that he didn’t actually live in either age but existed in the medieval garden of his own profound imagination.

There’s truth in that but what it leaves out is Chesterton’s capacity to look over the top of

the garden wall and see, truly see, what was happening to the world beyond. That isn’t meant to suggest he was some sort of Nostradamus of Notting Hill. Chesterton did not prognosticate. He pierced the present to show the ordinary commonalities of past and future.

He is famous, of course, for having said that the proof of original sin is the front page of the daily newspaper. He once won a newspaper essay contest by answering the question “what’s wrong with the world?” with the phrase: “I am.”

The great temptation for Chestertonians discussing Chesterton is to lapse into quoting, almost self-parodically, the overwhelming wealth of quotations he left behind. It’s an easy lapse because he wrote in a perfected aphoristic style that gave him the comic air of a man walking through a door balancing a bowl of milk and then backing out the window carrying a cat. There is a magical sense of simultaneous coming and going with the whole proposal having changed at some mystical middle point.

The problem with simply quoting Chesterton is that it leaves the impression among those who wouldn’t care if they’d never heard about him with the impression that he was some kind of British Borscht Belter spinning out one liners just for the yuks.

In fact, he was a thinker and writer of enormous depth and breadth—from the book on Aquinas to the essay on the pleasures of lying in bed—who took supremely seriously the human need to engage with the small and easy things that comprise the good.

Small and easy things, that is, such as laugh-



G.K. Chesterton. Photo from the American Chesterton Society.

ter itself. Or an iPad, iBooks, and 7,000 pages of Chesterton for only \$1.99. Now there is a measurement of progress.

Beyond the Predictable

—Ray Pennings—

After reading too many columns summarizing what was in 2011, predicting what might be in 2012, and explaining why the predictions made a year ago were not quite on the mark, I am more than ready to dismiss the entire exercise as a waste of energy. Yesterday’s poll suggesting most Canadians are entering 2012 in an optimistic frame of mind will soon be undone by a bad news story, and that optimism will be dashed. Of course, if the poll were the other way around, the opposite would also be true.

This is not to say such polls are meaningless. Canadians in an optimistic frame of mind are more likely to spend money and take risks than those in a pessimistic mood. Polls and predictions are significant not for the accuracy of what they say but for their effect on those who read them. When it comes to predicting what might shape the world in 2012, a wider lens is needed. Reading January newspapers reminds me of lessons learned from my holiday reading, which tempers the confidence of New Year’s predictions.

One of the books I enjoyed was Condoleezza Rice’s recently published memoir. The inside story of the White House response to the

inadequately-prepared-for events of September 11, 2001 was a sobering reminder of how our framework of expectations shapes what we see. With hindsight, there was lots of evidence which officials “should have” noticed in order to better prepare for or perhaps even prevent the attacks of September 11th. But the “should” presumes an imperative which was not present. Evidence wasn’t noticed because officials weren’t looking for it, until it was too late and the framework of expectations changed entirely.

Another book that occupied a few hours was Pierre Trudeau’s *Memoirs*. I noticed the book on a shelf and picked it up, wondering how the National Energy Policy of the 1980s was rationalized. This policy is significant both historically and as a contemporary political metaphor. I found surprising to see how starkly Prime Minister Trudeau admitted that ideology was a driving force motivating this policy. “The role of the federal government is to distribute wealth from the affluent to the disadvantaged” writes Trudeau on page 295. “That was our policy for individuals, for regional equalization, and for energy. We were consistent in our devotion to sharing, and I take pride in that.”

The third book I read over the holidays was from a very different genre. Just before Christ-

mas, Michael McClymond and Gerald McDermott released *The Theology of Jonathan Edwards* which provides an updated overview of the Edwards scholarship. I was reminded of how important “metanarrative”—a term which I associate more with twentieth century than eighteenth century theology—is to understanding Edwards. His *History of the Work of Redemption* was intended to provide “an entire new method” of doing theology, focusing on a historical rather than a descriptive unfolding of sin and grace. Reflecting on some of Edwards’ text, I was struck how different his approach to public theology was from much of what is practiced today. We are inclined to seek out biblical principles and describe what they mean for us today; Edwards’ method was to observe what was happening today and ask himself, “What does this mean for the unfolding of God’s plan of redemption?”

It is a bit of a segue from holiday reading to the nuts and bolts of everyday life, but there are some holiday reading lessons worth applying as we consider the predictions for 2012. Our framework of expectations shape what we look for and see. What we believe often shapes what we do. There is much more going on in the world than just what meets the eye.

Happy New Year.

There Can Be No Peace, After Westphalia

—Robert Joustra—

Epiphany is here, and on it we remember the Magi, the wise, and the powerful, bending the knee as one to the Christ. Its opening sentence in the lectionary is from Isaiah 60:3, “Nations shall come to your light, and kings to the brightness of your rising.”

The politics of Epiphany can be easily forgotten, a forgotten feast drowned out by the pounding of a cultural Christmas hangover. But it is striking how political Epiphany, and its attendant liturgy can be. Oliver O’Donovan recalls the same in the prologue of *The Desire of the Nations*, quoting the second stanza of the Te Deum:

Thou art the king of glory, o Christ.
Thou art the everlasting Son of the Father.
When thou tookest upon thee to deliver man
Thou didst not abhor the Virgin’s womb.
When thou hadst overcome the sharpness of death,
Thou didst open the kingdom of heaven to all believers.
We believe that thou shalt come to be our judge.
We therefore prayer thee, help they servants,
Whom thou hast redeemed with thy precious blood.
Make them to be numbered with thy saints
In glory everlasting.

The words *king*, *kingdom*, and *judge* leap to the eye; *deliver*, *servants*, *numbered*, *saints*, and *glory* follow. O’Donovan writes, “The general picture is a political one, quite clearly: there is a ruler; he has achieved a decisive public act of liberation; by that act he has founded and sustained a community” (1).

All of that political vocabulary persists in many Christian liturgies, despite secularization, despite separations of church and state, and despite unbelief: a relic, perhaps, of more fundamentalist times.

The creation act of the modern, secular state in international relations is often rooted in a mythical account of the Treaty of Westphalia (1648), which ended the so-called religious wars after the Reformation. In those treaties, and in the political practice that followed, transcendent conviction was stuffed into private regard, mitigating its violent, public eruptions. The political was cleansed of its liabilities.

But there are some ideas which simply cannot survive such a metaphysical scalping: faith, hope, and—we remember through Christmas and Epiphany—peace.

The Peace of Westphalia is a cornerstone of the international system, which rightly prizes stability and order over conflict and war. But its peace is a false promise in a world robbed of the dignity of metaphysics, robbed of theology and of God. Realists would tell us that peace is the absence of war, but Epiphany reminds us that there can be no end to war, neither that within or without, apart from adoration which is shown, today, by the Magi. The recovery in Christian theology of the Hebrew word *shalom* struggles to unmask the falsity of this Westphalian Peace: to erase the kingship of Christ is not to secure a rationalist armistice, it is to unleash a darkness with no hope for light. In the early Church, the Feast of the Epiphany was celebrated alongside the commemoration of the massacre of the holy innocents.

No politics can be rendered intelligible apart from a theological conceptuality. A politics which does not encompass the direction of society is no politics at all. Where there is no room for direction, O’Donovan writes, “Society is ruled by the imperative of universal suspicion” (10).

Peace is not merely disarmament, it is solidarity. The international system makes us neighbours, but it does not make us brothers. In the absence of God there can be no peace, no right relationship, no restoration. It begins with the Epiphany and with adoration.

Children and Tears

—Peter Menzies—

If you are currently attired in torn sack cloth and covered in ashes as a result of Canada’s recent denouement on the ice of the World Junior Hockey Championships, it may be best to get used to it.

Canada is not, of course, suddenly going to be lacking in training and expertise in hockey. What is and will be lacking, however, are children . . . which in turn means there will be a smaller pool of potential hockey stars to choose from.

As Statistics Canada reported a couple of months ago, the number of Canadian children aged five to 14 has decreased by nearly 10% to just 3.72 million—that’s the lowest population level in that demographic group since 1988. And that means 10% fewer hockey players competing for spots on Canada’s national junior team in the years ahead. Actually, it might not be quite so bad for the boys as for the girls, as Statistics Canada data also indicates that among children under 15 there are currently about 130,000 (or 3%) more boys than girls.

Add to that the fact that in the past generation the participation rate of children in sports has declined from 57% to 51% and, well, the

prospects don’t get any brighter, do they? Oh, and the majority of those kids is not playing hockey—soccer is the preferred activity now.

There are two major contributing factors to this demographic decline, according to Statscan. One is that during the period in question there were not quite as many women around of child-bearing age as there were in the previous generation. The other is that as we entered an era in which having children was a clear matter of choice, more and more women chose not to have them, and the birth rate plunged to 1.6 children per woman. The replacement birth rate is 2.1.

The good news is that this decline should only last through the end of the decade, as the birth rate in recent years has been slightly increasing. And the moral of the story is: you reap what you sow.