05 The Story of Money (Part Two)

Lats week I gave you a brief history of money and left you with a question: How does Buddhism fit in with all of this?

That's the issue I wish to cover in this talk.

At the time of the Buddha monks and nuns could not own property and had to live an austere renunciant lifestyle with a robe and alms bowl as the only allowed personal possessions.

Monks and nuns were forbidden to touch gold or silver. The Buddha also laid down a rule that those wishing to become monks had to first affirm that they had no debts.

But, whilst Buddhism rejected violence and militarism it was not opposed to commerce and had an open attitude towards credit arrangements.

From stories in the earliest recorded teachings of the Buddha we know that he was not opposed to the gaining of wealth, so long as that wealth was ethically gained, and was used for the benefit of others, and not just used for individual enrichment.

Nevertheless, whilst the Buddha acknowledges the economic and material happiness that can be gained by the lay person from acquiring wealth, happiness derived from blamelessness, a clear conscience, brings the greatest benefit:

"Of these [types of happiness] the wise know that the happiness of blamelessness is by far the greatest householder happiness. Economic and material happiness is not worth one sixteenth part of the spiritual happiness arising out of a good and faultless life."

For the Buddha money and wealth were to be kept in perspective.

But in the centuries after the death of the Buddha the community of Buddhist wandering renunciants came more and more to live the settled life of the monastery.

The Princeton Encyclopaedia of Buddhism describes how monastic regulations began to allow the accumulation of donations beyond the immediate needs of the monastic community. Some communities permitted such surplus to be used to endow funds that would generate interest for the purchase of clothing, food, and other community needs, or even for reinvestment.

Because the funds generated interest and the principal investment was not depleted, the funds became known as ‘Inexhaustible Treasuries’. Monasteries acquired lands, serfs, livestock, grains, oil, cloth, gold, and silver, and embarked upon a great variety of investment and commercial ventures.

Chinese pilgrims visiting India between the fifth and twelfth centuries reported that Indian monks supported themselves primarily by practices such as their land holdings and interest-bearing investments, rather than by daily rounds of alms seeking.

From surviving copies of Buddhist monastic rules in India dated back to the early parts of the Current Era, we know that lending at interest was one such practice.

The assets lent from the inexhaustible treasury could be commodities such as cloth, food, oils, seed, and other goods donated to the monastery. The lendable assets may also have included monies generated from land rents, commercial activities, and investments.

The rules for the Mulasarvastivada sect of Buddhism gave specific instructions for lending the inexhaustible goods of the monastery, including details on the amount of collateral required, the form of the contract, the number of witnesses and guarantors needed, provisions for property seizure in the event of forfeiture, and other contractual details.

Thus we see a very different world of spiritual activity developing compared to the time of the Buddha.

This was the model of Buddhism that was exported to China.

Mediaeval Chinese Buddhism had its origins in commercial exchanges with India, and in its earliest form was largely a religion promoted by merchants.

There's some evidence that the innovation of lending banks in China was introduced by Buddhists traveling from India.

The notion of karma was taught with the metaphor of carrying a debt from one life to the next. One way to 'redeem' those debts was to make regular donations to a monastery's Inexhaustible Treasury, and thereby cancel the debts from one's past lives.

Some Buddhist schools emphasised the debts owed to parents especially to mother, describing them as impossible to repay, except through donating money to the Inexhaustible Treasury.

Some of the money given to the Inexhaustible Treasuries would be given to the needy and poor, particularly in times of hardship, and some would be loaned out.

One practice that occupied a middle ground between charity and business was providing peasants with alternatives to the local money lenders. Most monasteries had local pawnshops where the poor could place some valuable possession – perhaps a robe, a couch, or a mirror – in hock in exchange for low interest loans.

Then there was that part of the Inexhaustible Treasury turned over to the management of lay people and either put out at loan or invested for the benefit of the monastery.

As a result, most monasteries came to be surrounded not only by commercial farms but by industrial complexes of oil presses, flour mills, shops, and hostels, often with thousands of bonded workers.

So much so that anthropologist David Graeber describes Buddhist Inexhaustible Treasuries as 'the world's first genuine forms of concentrated finance capital'. He writes "They were, after all, enormous concentrations of wealth managed by what were in effect monastic corporations, which were constantly seeking new opportunities for profitable investment."

Perhaps the growth in financial power of these Buddhist monastic complexes, and the dependence upon the patronage of rulers, paradoxically contributed to Buddhism's decline in India, with the loss of the intimate daily contact and relationship between monks and lay people that was prevalent in early Buddhism.

We know that in China there were occasions when the state turned on the monasteries.

In the early sixth century there were decrees condemning monks for diverting grain intended for charitable purposes to high interest loans.

Later in the ninth century it's recorded that a total of 4600 monasteries were destroyed along with their shops and mills. 260,000 monks and nuns were forcibly defrocked and returned to their families, and at the same time 150,000 temple serfs were released from bondage.

It should be pointed out though that not all monasteries in China behaved in a similar manner.

The Three Stages School in the late sixth to early eighth centuries operated several well- known inexhaustible treasuries inspired by teachings from two popular sutras, the Flower Garland Sutra and the Vimalakirti Sutra. These sutras emphasised the bodhisattva's inexhaustible storehouse of compassion for living beings. Here donations given to the inexhaustible treasury were then lent out free of interest to the poor and needy of the empire.

Nevertheless, overall, the history of Buddhism's relationship with money is problematic.

Money emerges out of human values of generosity, gratitude, and trust but as its hold on the world tightens, power comes to play an increasing role.

But the emergence of money has a deeper effect on human values. The ancient Greeks understood this as evidenced by the myth of King Midas.

Felix Martin in his book "Money: The Unauthorised Biography" tells the story of King Midas and guides us to its key message.

One day King Midas captures a nature spirit.

To persuade Midas to let him go the nature spirit promises to grant Midas one wish.

Believing that wealth is the best thing a man can have, Midas wished that everything he touched should turn to gold.

His wish granted, at first Midas was delighted.

He broke off a twig, and it turned to gold! He picked up a clod of earth and it turned to gold too!

Delighted with his good fortune Midas ordered up a splendid banquet to celebrate.

But here, things started to go wrong. He grasped a crust of bread to eat – but it turned to solid gold. He mixed wine to drink – but as it passed his lips, it turned to molten gold. And in later versions of the myth, Midas even made the fatal mistake of kissing his daughter – and turning her to cold and inert gold.

Cursing his foolish error, 'rich and yet wretched, he sought to flee his wealth, and hated what he but now had prayed for'.

He begged the gods to take back their terrible gift – and, luckily for him, Dionysus took pity on him. He instructed Midas to go to the source of the River Pactolus in Lydia, and plunge his head and body into the water to wash away his powers.

Martin tells us that Midas did as advised, and so lost his now-detested gift. In doing so he transferred it to the river itself, which thereby became the source of the gold and silver alloy from which the earliest coins were made

Martin argues that the central theme of this myth is money's intrinsic tendency to reduce everything to a single dimension.

Like the money he craves, Midas' touch reduces the enormous variety of life and nature – the twig, the apple, his bread, his wine, even his fellow human beings and his family – to a single, lifeless substance.

Where in nature there is variety of substance – and in traditional society, many dimensions of social worth – monetary society imposes an artificial monotony.

The inexorable logic of money, the Greeks realised, was to put a price on everything, and to make everyone think of everything first and foremost in terms of a single dimension.

By itself, a universally applicable concept of economic value was in one sense exhilarating, just as it is today. A single metric that can serve as the criterion for any decision does wonders for the organisation of a complex economy.

But for the Greeks it was also a source of unease.

The universal application of the new concept of economic value brings with it a major problem: the lack of any intrinsic limit to consumption, accumulation, and the quest for status. Midas wanted everything he touched to turn to gold, because only then could he be sure that he would be richer than anyone else.

Traditional society had intrinsic limits – limits defined by the immutable social obligations owed by peasants to chieftains, chieftains to priests, and so on. Monetary society, the Greeks feared, had none.

There is no intrinsic limit to the accumulation of wealth; and since status in monetary society is by its nature relative, not absolute, monetary society constantly risks degenerating into an unending one-upmanship.

And what is even worse, the Greeks feared, the lack of a limit to the imperative to get money may lead to a lack of limits to what people will do to get it.

In this respect, Midas was a special case – opportunity fell into his lap. But in the real world, where passing nature spirits do not grant wishes, the incentives to try anything to get unlimited wealth would surely, the Greeks feared, be unlimited as well.

The impact of excessive accumulation, consumption, and competition for status remains a widespread concern today. The tendency to put a monetary value governs more and more of life.

Martin concludes:

„So there is a paradox at the heart of money. It is a social technology which depends on other people. Yet it is a social technology which isolates us from other people, by transforming the rich and varied ecology of human relationships into the mechanical and monotonous clockwork of financial relationships.“

This is the challenge that faces us today. Money arose out of values of generosity, gratitude and trust. Those values came to be dominated by the use of power by states and other institutions, even by religious organisations.

How do we preserve generosity, gratitude and trust in our lives as individuals, as part of a sangha, and as part of our wider collective society?

But perhaps the greatest challenge for us is the danger highlighted by the myth of King Midas – the creeping monetisation of more and more of human life, and the corruption of the true human value of things.