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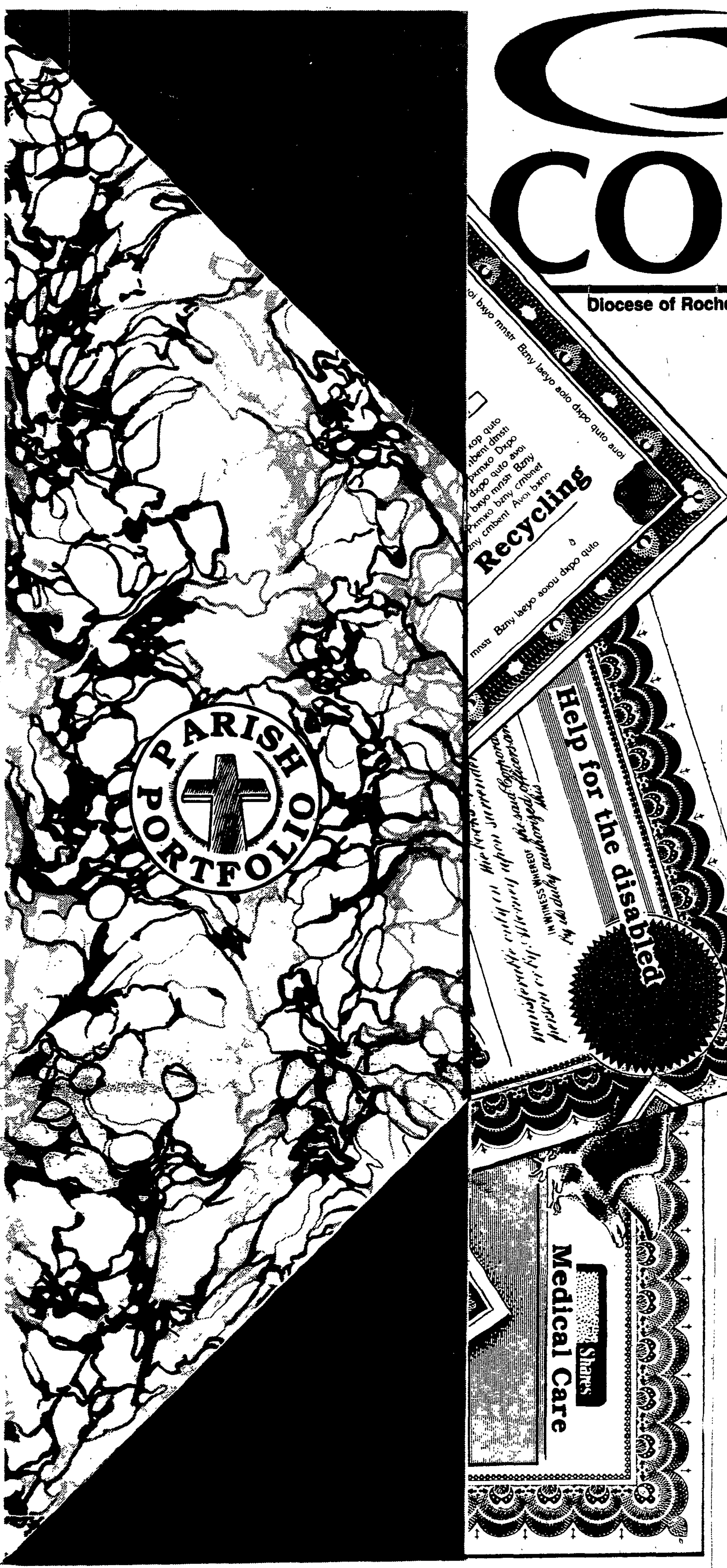

Ethical issues direct investing

By Lee Strong
Staff writer

The fathers of the church who assembled for the Synod of Pavia in 850 A.D. spoke bluntly about the practice of usury.

"Let whoever practices usury be excommunicated," they declared.

Likewise, St. Thomas Aquinas, in his *Summa Theologica*, wrote, "He who takes usury for a loan of money acts unjustly for he sells what does not exist, and such an action evidently constitutes an inequality and and consequently an injustice. …(I)t is wrong in itself to take a price (usury) for the use of money lent."

St. Thomas and the fathers of Pavia understood usury as the charging of interest — in any amount or form — on loans. In holding this position, they merely reflected a church tradition that extended back into Jewish practice.

Were they to consider church financial practices today, therefore, these early churchmen might well be shocked. Religious orders, dioceses and individual parishes hold stock portfolios and investments that, together, total billions of dollars. The Diocese of Rochester alone has a portfolio amounting to more than seven million dollars, and approximately 80 parishes in the diocese — nearly half the diocesan total — maintain interest-bearing investments of some sort.

A few individuals and groups — including the Catholic Worker movement — still cling to the early teachings of the church, claiming that such problems as the Third World debt crisis are products of our current economic system and its reliance on investments.

But except for such isolated voices of protest, the debate in church circles today is not whether to invest, but how best to invest, noted Father Thomas McMahon, CSV, head of Loyola University of Chicago's Center for Values in Business.

"I suppose (not investing) would be the ideal, but we're living in the real world," Father McMahon observed in a telephone interview with the *Catholic Courier.*

Those real-world circumstances are a result of a changing economic system that transferred the feudal system of the Middle Ages into the modern mercantile society. Faced in the 16th century with an economic situation far different from that known to the early church — and with a laity that increasingly chose to ignore church teachings on lending money at interest — the church modified its stance on investing and usury.

According to Diane Bratcher, director of communications for the New York-based Interfaith Center on Corporate Responsibility, this shift from no investing to socially responsible investing means that church groups today express concern that their monies not be invested in companies doing business with South Africa, producing nuclear weapons, damaging the environment, exploiting workers or other detrimental activity.

"The basic theological concept behind all this is churches are stewards of their investment monies," Bratcher said. "Churches are concerned that the way they invest their money, the profits that they make, are consistent with their social teachings.

"Churches have decided that the bottom line is broader than just dollars and interest," she continued. "A just world and a sustainable environment are part of the return on their money."

Although Bratcher's organization is not an investment group, it does provide investment information to the 250 religious groups — including Catholic entities — that form its membership. Combined, those groups account for portfolios totalling $25 billion.

When Father McMahon began teaching so-

Continued on page 12

Fund offers options for investors

By Rob Cullivan
Staff writer

Katrina Clark recently bridged the gap between a dream and reality.

The health-care center Clark runs in New Haven, Conn., is bridging its original building with an adjacent building through construction of a handicapped-accessible connecting walkway between the two structures.

Coupled with planned renovations to the center and the adjacent building, Clark's vision of expanding her services to its low-income, mostly Hispanic clientele is coming true.

The "bridge-builder" in this case is Leviticus 25:23 Alternative Loan Fund, a not-for-profit corporation based in Ossining, N.Y. The corporation extends low-interest loans at below-market rates to projects that help the poor and foster participation in and local control of financially sound projects.

Members of the Tri-State Coalition for Responsible Investment conceived of the Leviticus Fund in 1980, according to Sister Barbara Glendon, OSU, the coalition's executive director.

The coalition serves as a watchdog agency for church-related groups from New York, New Jersey and Connecticut, advising them on investments in major corporations that may do business in such places as South Africa or Northern Ireland and in such industries as nuclear-power companies that affect the environment, she said.

Coalition members wanted to go beyond merely reacting to a corporation's investment strategy and attempt to actually change the nation's economic structure, Sister Glendon said. The members took their cue from Leviticus 25:23, which states that no land can be sold forever to anyone, because God is the true owner and humans are temporary tenants.

Philosophically, the members similarly saw the interest earned from loans as belonging not to those who made the loans but to the community, Schmitz commented. "… Earned interest should be plowed back into the land or people," he said.

The Leviticus Fund was incorporated in 1983 as a not-for-profit community development fund with 27 charter members and $350,000 in assets. Today it boasts 61 members, including the United Council of the Churches of Christ, and $1.3 million in assets.

The corporation, which previously accepted only not-for-profit organizations as members, recently opened itself up to individual investors, who can join for a minimum loan of $1,000 to the fund.

Continued on page 12