



Deregulated

The roots of our current financial crisis are deep and tightly woven. Disentangling them could take years. It does seem clear that a contributing factor to the swift collapse of the financial markets was overzealous deregulation. The quest for profit (especially for individuals) overwhelmed years of fiscal prudence and common sense. The notion of a “good loan” was discarded in favor of loaning money with scant regard for the borrower’s capacity to repay and then reselling such suspect loans as quickly as possible to firms more eager for profits than fiscal responsibility. Regulators refused to regulate. Managers refused to manage. Buyers, sellers, and lenders engaged in an elaborate Ponzi scheme that finally collapsed and brought the country to its knees. At the top were powerful figures in government and business who believed that the invisible hand of the marketplace and enlightened self-interest would prevent lending institutions from acting in a reckless manner. They insisted the government need not get involved.

Deep within all of us is a longing to live an unregulated life. We want no one to tell us what to do. The impulse to be our own God and make our own rules is very powerful. At heart we are all extreme libertarians. Adam and Eve only had one rule from God—and they broke that one. Ever since, people have resented God’s interference in their lives even if he is trying to keep them from going over a cliff. The dark side of our impulse toward freedom is the “will to power.” We learn very early to say the word “No!” Eventually we find ways to say “no” more politely than we did as toddlers. As teenagers we insist that our parents become “deregulators” and let us stay out as late as we want, with whomever we wish, wherever we want to be. The parent strong enough to hold to that regulator role is considered cruel and unusual and out of step with other more generous, more reasonable parents. But wise parents know that teenagers are often heedless of consequences and require consistent regulation.

What deregulators fail to reckon with, whether they are on the Securities and Exchange Commission or on 543 Maple Street is original

sin. The “will to power” will strive to work things to our advantage whatever the commands of God or the common good. The teenager who drove after drinking and killed her friends in an accident ignored her parents, the law, and even her own good to do what she wanted. In the same way, the “will to power” in Wall Street boardrooms will pursue profit at the expense of the common good and ultimately their own good. Blind drunk on greed they steer their companies and the country into a tree.

It was Winston Churchill, I think, who said that democracy was the worst form of government, except for all the others. C. S. Lewis followed up by saying that the value of democracy is that we keep an eye on each other. It is good for Democrats and Republicans to keep an eye on each other! It is good for regulators to keep an eye on both individuals and corporations. With power, privilege, and money comes a sense of entitlement and impatience with laws and rules. But without accountability, sad experience tells us corruption and chaos are inevitable. Each country, each state or province, each community has examples of good people seduced by an illusion of exceptionalism.

My larger point is not really political or social, but individual. Surely systems and structures can be corrupt and corrupting. Good people are sometimes driven to actions incompatible with their deepest convictions on behalf of a group, whether a nation, business, or family. Nevertheless, even the pressure of the group is not enough to sway some. Why? They have been formed by an alternative community. They have honestly considered their own sins and failings. They are regulated by the word of God and the community of God’s people reading that word with them. They have refused to be deregulated and subject to the whims of others or their own will to power. Living a deregulated life is impossible. We either follow the law of Christ or find ourselves bound by our own fears, addictions, and impulses. I trust that our government will make way for reasonable regulations that encourage creativity and the common good. I pray that we have learned our bitter lesson about the unregulated life. To be free, as Paul would put it, is to be a slave of Christ, not of our fraudulent longings and impulses. ■

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