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# VIEWS LETTER

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Volume 58, Issue 1

AWD's Views, News & Other Things of Interest

January & February 2008

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*Note: Once one starts an article that may seem to grow uninteresting, they are tempted to give up and ignore the remainder. This may be such an article for many of my readers, however, I encourage you to keep reading with all the comprehension you can muster because what is said here is very important, true and apropos to the political landscape of today.*

## “Socialism, Free Enterprise, and the Common Good”

**Rev. Robert A. Sirico President, Acton Institute for the Study of Religion and Liberty**

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*The following is adapted from a speech delivered at Hillsdale College on October 27, 2006, at the first annual Free Market Forum sponsored by the College's Center for the Study of Monetary Systems and Free Enterprise.*

In chapter 21 of St. Matthew's Gospel, Jesus proposes a moral dilemma in the form of a parable: A man asks his two sons to go to work for him in his vineyard. The first son declines, but later ends up going. The second son tells his father he will go, but never does. "Who," Jesus asks, "did the will of his father?" Although I am loath to argue that Jesus' point in this parable was an economic one, we may nonetheless derive from it a moral lesson with which to evaluate

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## A Time for Choosing Speech, RNC 1964

*~Ronald Reagan*

I am going to talk of controversial things. I make no apology for this.

It's time we asked ourselves if we still know the freedoms intended for us by the Founding Fathers. James Madison said, "We base all our experiments on the capacity of mankind for self government."

This idea that government was beholden to the people, and that it had no other source of power is still the newest, most unique idea in all the long history of man's relation to man. This is the issue of this election: Whether we believe in our capacity for self-government or whether we abandon the American Revolution and confess that a little intellectual elite in a far-distant capital can plan our lives for us better than we can plan them ourselves.

You and I are told we must choose between a left or a right, but I suggest there is no such thing as a left or a right. There is only an up or down. Up to man's age-old dream, which is the maximum of individual freedom consistent with order or down to the ant heap of totalitarianism. Regardless of their sincerity or their humanitarian motives, those who would sacrifice freedom for security have embarked on this downward path. Plutarch warned, "The real destroyer of the liberties of the people is he who spreads among them bounties, donations and benefits."

The Founding Fathers knew a government can't control the economy without controlling people. And they knew when a government sets out to do that, it must use force and coercion to achieve its purpose. So we have come to a time for choosing.

*Continued on page 5 see, **A Time For Choosing***

economic systems in terms of achieving the common good.

Modern history presents us with two divergent models of economic arrangement, socialism and capitalism. One of these appears preoccupied with the common good and social betterment, the other with profits and production. But let us keep the parable in mind as we take a brief tour of economic history.

The idea of socialism, of course, dates back to the ancient world, but here I will focus on its modern incarnation. And, if we look to socialism's modern beginnings, we find it optimistic and well-intentioned. In contrast to contemporary varieties that tend to bemoan prosperity, romanticize poverty, and promote the idea that civil rights are of secondary concern, at least some of the early socialists sought the fullest possible flourishing of humanity—which is to say, the common good.

A half-century before Karl Marx published the Communist Manifesto, there was Gracchus Babeuf's Plebeian Manifesto (later revised by Sylvain Marechal and renamed the Manifesto of the Equals). Babeuf was an early communist who lived from 1760 to 1797 and wrote during the revolutionary period in France. Although he was jailed and eventually executed, his ideas would later have an enormous impact. And his explicit political goal had nothing to do with impeding prosperity. To the contrary, he wrote:

The French Revolution was nothing but a precursor of another revolution, one that will be bigger, more solemn, and which will be the last... We reach for something more sublime and more just: the common good or the community of goods! No more individual property in land: the land belongs to no one. We demand and we want the common enjoyment of the fruits of the land: the fruits belong to all.

We see in Babeuf's writings two themes that would remain dominant in socialist theory until the twentieth century: an aspiration to prosperity through ownership by all and an equation of the common good with the

commonality of goods. Indeed, Marx took more from Babeuf than Marx himself would ever acknowledge.

In our own time, we think of socialists as opposing capitalist excess, disparaging the mass availability of goods and services, and seeking to restrict the freedom to produce and enjoy wealth. Consider, for instance, the wrath that modern socialists feel towards fast food, large discount stores, and specialty financial services for the poor. They accuse the mass consumer market of institutionalizing false needs, commodifying the commons, glorifying the banal, homogenizing culture—all at the expense of the environment and of equality of condition, the highest socialist goal. Improving the standard of living in society is far down the list of modern socialist priorities.

But to repeat, it was not always so. Early socialists believed that socialism would bring about an advance of civilization and an increase in wealth. Babeuf, for example, predicted that socialism would “[have] us eat four good meals a day, [dress] us most elegantly, and also [provide] those of us who are fathers of families with charming houses worth a thousand louis each.” In short, socialism would distribute prosperity across the entire population. A particularly poetic rendering of this vision was offered by none other than Oscar Wilde:

Under Socialism...there will be no people living in fetid dens and fetid rags, and bringing up unhealthy, hunger-pinched children in the midst of impossible and absolutely repulsive surroundings...Each member of the society will share in the general prosperity and happiness of the society, and if a frost comes no one will practically be anything the worse...

The core of the old socialist hope was a mass prosperity that would free all people from the burden of laboring for others and place them in a position to pursue higher ends such as art and philosophy, in a conflict-free society. But there was a practical problem: The Marxist prediction of a revolution that would bring about this good society rested on the assumption that the condition of the working classes would grow ever worse under capitalism. But by the early

twentieth century it was clear that this assumption was completely wrong. Indeed, the reverse was occurring. As wealth grew through capitalist means, the standard of living of all was improving.

### **Lifting All Boats**

Historians now realize that even in the early years of the Industrial Revolution, workers were becoming better off. Prices were falling, incomes rising, health and sanitation improving, diets becoming more varied, and working conditions constantly improving. The new wealth generated by capitalism dramatically lengthened life spans and decreased child mortality rates. The new jobs being created in industry paid more than most people could make in agriculture. Housing conditions improved. The new heroes of society came from the middle class as business owners and industrialists displaced the nobility and gentry in the cultural hierarchy.

Much has been made about the rise of child labor and too little about the fact that, for the first time, there was remunerative work available for people of all ages. As economist W. H. Hutt has shown, work in the factories for young people was far less grueling than it had been on the farm which is one reason parents favored the factory. As for working hours, it is documented that when factories would reduce hours, the employees would leave to go to work for factories that made it possible for them to work longer hours and earn additional wages. The main effect of legislation that limited working hours for minors was to drive employment to smaller workshops that could more easily evade the law.

In the midst of all this change, many people seemed only to observe an increase in the number of the poor. In a paradoxical way, this too, was a sign of social progress since so many of these unfortunate people might have been dead in past ages. But the deaths of the past were unseen and forgotten, whereas, current poverty was omnipresent. Meanwhile, as economic development expanded in the nineteenth century, there was a dramatic growth of a middle class that now had access to consumer goods once available only to kings—not to mention plenty of new

goods being created by the engine of capitalism.

These economic advances continued throughout the period of the rise of socialist ideology. The poor didn't get poorer because the rich were getting richer (a familiar socialist refrain even today) as the socialists had predicted. Instead, the underlying reality was that capitalism had created the first societies in history in which living standards were rising in all sectors of society. In a sense, free market capitalism was coming closest to realizing what Marx himself had imagined: "the all round development of individuals" in which "the productive forces will also have increased" and "the springs of social wealth will flow more freely."

There was one Marxist in England who seemed to understand what was happening. Eduard Bernstein, who lived from 1850 to 1932, is hardly known today. His writings are not studied except by specialists. But he was the leading Marxist after Marx and Engels. Engels considered him their successor, and even asked him to finish editing Marx's fourth volume of *Capital*.

In the 1890's, Bernstein began to observe the positive effects of capitalism on living standards. "What characterizes the modern mode of production above all," he wrote, "is the great increase in the productive power of labour. The result is a no less increase of production—the production of masses of commodities." This empirical fact struck at the very heart of the Marxist case. Bernstein also observed that the numbers of businesses and of people who were well-off were rising along with incomes. As he put it, "The increase of social wealth is not accompanied by a diminishing number of capitalist magnates, but by an increasing number of capitalists of all degrees." In fact, in the 50 years after the publication of the *Communist Manifesto*, incomes in England and Germany doubled—precisely the opposite of what Marx had predicted. To quote Bernstein again from 1899:

"If the collapse of modern society depends on the disappearance of the middle ranks between the apex and the base of the social pyramid, if it is dependent upon the absorption of these middle classes by the extremes above and below them,

then its realization is no nearer in England, France, and Germany today than at any earlier time in the nineteenth century.”

The basis of Marxist doctrine had been the idea that society under capitalism consisted of two classes—one small and rich, the other vast and increasingly impoverished. The reality, however, was that the numbers of the rich were growing more rapidly than those of the poor while the vast majority was falling into a category that socialism didn’t anticipate: the middle class. Doctrinaire Marxists were of course furious with Bernstein for noticing these developments. Rosa Luxemburg, for one, wrote a famous essay in 1890 attacking him.

One might assume, then, that Bernstein changed sides—abandoning socialism upon seeing its false premises—and took up instead the classical liberal cause of free enterprise. I’m sorry to report that this is not the case. What Bernstein changed instead were his tactics. He still favored the expropriation of the English capitalists, but now through a different method—not through revolution, but through the use of political mechanisms. And indeed, the political success of socialism during the twentieth century would bring England to the brink of catastrophe more than once.

### **Ideology vs. Reality**

If one becomes aware that the older moral argument for socialism is wrong—that capitalism is actually benefiting people and serving the common good—why would one hold on to the ideology rather than abandon it? Clearly, it is difficult to abandon a lifelong ideology especially if one considers the only available alternative to be tainted with evil. Thus socialism was, for Bernstein’s generation of socialists and for many that followed, simply an entrenched dogma. It was possible for them to argue the finer points, but not to abandon it.

However understandable this might be, it is not praiseworthy. To hold on to a doctrine that is demonstrably false is to abandon all pretense of objectivity. If someone could demonstrate to me that free markets and private property rights lead

to impoverishment, dictatorship and the violation of human rights on a mass scale, I would like to think that I would have the sense and ability to concede the point and move on. In any case, socialists like Bernstein lacked any such intellectual humility. They clung to their faith—their false religion—as if their lives were at stake. Many continue to do so today.

Most intellectuals in the world are aware of what socialism did to Russia. And yet, many still cling to the socialist ideal. The truth about Mao’s reign of terror is no longer a secret. And yet it remains intellectually fashionable to regret the advance of capitalism in China even as the increasing freedom of the Chinese people to engage in commerce has enhanced their lives. Many Europeans are fully aware of how damaging democratic socialism has been in Germany, France and Spain. And yet, they continue to oppose the liberalization of these economies. Here in the United States, we’ve seen the failure of mass programs of redistribution and the fiscal crises to which they give rise. And yet, many continue to defend and promote them.

There have long been cases where grotesque examples of the failure of socialism exist alongside glowing examples of capitalist success, and yet, many people will use every excuse to avoid attributing the differences to their economic systems. Even a superficial comparison of North and South Korea, East and West Germany before the Berlin Wall fell, Hong Kong and mainland China before reforms or Cuba and other countries of Latin America demonstrates that free economies are superior at promoting the common good. And yet the truth has not sunk in.

The older socialists dreamed of a world in which all classes the world over would share in the fruits of production. Today, we see something like this as Wal-Marts—to cite only the most conspicuous example—spring up daily in town after town worldwide. Within each of these stores is a veritable cornucopia of goods designed to improve human well-being at prices that make them affordable for all. Here is a company that has created many millions of jobs and brought

prosperity to places where it was sorely needed. And who owns Wal-Mart? It is the shareholders, people of mostly moderate incomes who have invested their savings. We might call them worker-capitalists. Such an institution was beyond the imaginings of the socialists of old.

Although the free enterprise system obviously does not incorporate the old socialists' idea of a commonality of goods, it does seem to achieve the common good as they conceived it. What then can we say of those who today remain attached to socialism as a political goal? We can say that they do not know or have not understood the economic history of the last 300 years. Or perhaps, we can say that they are more attached to socialism as an ideology than they are to the professed goals of its founders. I'm particularly struck by the neo-socialist concern for the well-being of plants, animals, lakes and rivers, rain forests and deserts—particularly when the concern for the environment appears far more intense than the concern for the human family.

### **The Good of Freedom**

When we speak of the common good, we need also to be clear-minded about the political and juridical institutions that are most likely to bring it about. These happen to be the very institutions that socialists have worked so hard to discredit. Let me list them: private property in the means of production; stable money to serve as a means of exchange; the freedom of enterprise that allows people to start businesses; the free association of workers that permits people to choose where they would like to work and under what conditions; the enforcement of contracts that provides institutional support for the idea that people should keep their promises; and a vibrant trade within and among nations to permit the fullest possible flowering of the division of labor. These institutions must be supported by a cultural infrastructure that respects private property, regards the human person as possessing an inherent dignity and confers its first loyalty to transcendent authority over civil authority. This is the basis of freedom without which the common good is unreachable. Thus, Pope John Paul II

wrote of economic initiative:

It is a right which is important not only for the individual but also for the common good. Experience shows us that the denial of this right, or its limitation in the name of an alleged "equality" of everyone in society, diminishes, or in practice absolutely destroys, the spirit of initiative, that is to say the creative subjectivity of the citizen.

To summarize: We are all entitled to call ourselves socialist if by the term we mean that we are devoted to the early socialist goal of the well-being of all members of society. Reason and experience make clear that the means to achieve this is not through central planning by the state, but through political and economic freedom. Thomas Aquinas had an axiom: *bonum est diffusivum sui*. "The good pours itself out." The good of freedom has indeed poured itself out to the benefit of humanity.

In conclusion, I ask you, "Who did the will of the Father?"

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#### **A Time For Choosing**, *continued from page 1*

Public servants say always with the best of intentions, "What greater service we could render if only we had a little more money and a little more power." But the truth is that outside of its legitimate function, government does nothing as well or as economically as the private sector.

Yet, any time you and I question the schemes of the do-gooders, we're denounced as being opposed to their humanitarian goals. It seems impossible to legitimately debate their solutions with the assumption that all of us share the desire to help the less fortunate. They tell us we're always "against," never "for" anything.

We are for a provision that destitution should not follow unemployment by reason of old age, and to that end, we have accepted Social Security as a step toward meeting the problem. However, we are against those entrusted with this program when they practice deception regarding its fiscal shortcomings, when they charge that any criticism of the program means that we want to

end payments....

We are for aiding our allies by sharing our material blessings with nations which share our fundamental beliefs, but we are against doling out money government to government, creating bureaucracy, if not socialism, all over the world.

We need true tax reform that will at least make a start toward restoring for our children the American Dream that wealth is denied to no one, that each individual has the right to fly as high as his strength and ability will take him.... But we can not have such reform while our tax policy is engineered by people who view the tax as a means of achieving changes in our social structure....

Have we the courage and the will to face up to the immorality and discrimination of the progressive tax and demand a return to traditional proportionate taxation?..... Today in our country the tax collector's share is 37 cents of every dollar earned. Freedom has never been so fragile, and so close to slipping from our grasp.

Are you willing to spend time studying the issues, making yourself aware, and then conveying that information to family and friends? Will you resist the temptation to get a government handout for your community? Realize that the doctor's fight against socialized medicine is your fight. We can't socialize the doctors without socializing the patients. Recognize that government invasion of public power is eventually an assault upon your own business. If some among you fear taking a stand because you are afraid of reprisals from customers, clients, or even government, recognize that you are just feeding the crocodile hoping he'll eat you last.

If all of this seems like a great deal of trouble, think what's at stake. We are faced with the most evil enemy mankind has known in his long climb from the swamp to the stars. There can be no security anywhere in the free world if there is no fiscal and economic stability within the United States. Those who ask us to trade our freedom for the soup kitchen of the welfare state are architects of a policy of accommodation.

They say the world has become too complex for simple answers. They are wrong. There are no easy answers, but there are simple answers. We must have the courage to do what we know is morally right. Winston Churchill said that "the destiny of man is not measured by material computation. When great forces are on the move in the world, we learn we are spirits—not animals." And he said, "There is something going on in time and space, and beyond time and space, which, whether we like it or not, spells duty."

You and I have a rendezvous with destiny. We will preserve for our children this, the last best hope of man on earth or we will sentence them to take the first step into a thousand years of darkness. If we fail, at least let our children and our children's children say of us we justified our brief moment here. We did all that could be done.

*This was the keynote speech at the NRC to elect Barry Goldwater in 1964. Can't we as a Nation learn from our brief history? Must we continue to be lead around by those blinded by their own ambition and arrogance? Are we afraid of ourselves? Are we afraid of freedom? Almighty God has offered us Liberty, and our forefathers and others have attempted to protect that Liberty. God forbid that we squander it!*

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## Who is Satan?

Much is said in Sunday School about God, and a lot of conjecture is applied to exactly who God is, what He thinks or what He was thinking when He created the universe or how big He must be. Finally someone will declare that God is incomprehensible and that we are wasting our time trying to understand something so beyond our natural God given abilities. That is a true statement, but it is good to think about God and his Majesty even if we are trying to understand something we are incapable of. He knows that it is not possible for us mere mortals to understand all there is to know about Him. Therefore, He has made available to us the faith necessary to believe in Him whether we know or understand all of his attributes or not.

Satan, on the other hand, is a bit more simplistic

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**FAITH MUST BE TESTED, BECAUSE IT CAN ONLY BECOME YOUR INTIMATE POSSESSION THROUGH CONFLICT.**

~Oswald Chambers

and easier to understand. It may be that it is because we were born with the natural hunger to satisfy our own selfish desires, even when we knew that most of these very desires were evil in their nature. As natural born sinners, we didn't have to invite him into our lives. He just came in at the first opportunity, and we will not be completely free of his influence until we leave this place called earth and are in heaven with our Heavenly Father, if in fact this is to be our final destination.

Satan is seldom mentioned in Sunday School except that he is a despicable being that constantly deceives us. We may give him the credit for our shortcomings when we say, as the black comedian Flip Wilson often said, "the Devil made me do it." There are two things to consider when we think about Satan.

First of all, Satan is a necessary part of life. Even the relationship we have with our Creator is influenced and shaped by this fact. God Almighty placed everything that is here—here, including all things that are good and all things that are evil. It would be only conjecture, as mentioned above, for me to arrogantly state that I know why God does what He does. I don't know, nor do I think that I will ever know. But if you will humor me a little and read on, I think you will understand what I am trying to say. This could, and hopefully will cause a little better understanding about how Satan works in the world and in our lives.

Since the beginning of our life, Satan has led each of us in a direction where sin has had an attractive and very appealing look and has gone so far as to convince many that the real evil is not himself, but the Almighty. Time after time, Satan's work has been openly demonstrated for what it is by the failures that it always produces. The only success of Satan (although temporary) is his ability to deceive and to tell a convincing lie. The children of Israel continually chose to believe his lies and opted for idol worship only to find that their choices were wrong. Even after God provided them a home in the Promised Land, they chose to follow Satan's call of sin and idolatry.

I believe the opportunity to choose is the very reason for Satan's existence. For how is it possible to love unless there is the liberty to

choose? And, how can there be liberty to choose unless there are choices? The yin and the yang of life. The ability and liberty to make decisions are the blessings given to all humanity. Whether or not humanity chooses good or evil, is up to the individual. How could Almighty God create love any other way? Any other way would compromise true liberty into extinction. Without liberty there can be no love. The choice offers an opportunity to love others, and to sacrifice self for others or to think only of one's self.

We all have felt the loving kindness of God whether we will admit that there is a God or not. We have felt his loving kindness many times—if only a brief moment while watching the sunrise or the sunset or the sound of our mothers heartbeat. We have all felt his presence and His loving kindness. How can one love ones self alone? Since God is Love a person can't experience love alone, because God is always present when love is present.

Is Satan capable of love? He may have been at one time, but he obviously has chosen not to love because all of his thoughts and all of his being is of self-interest. Having the power and the ability to deceive, he would have us believe that he cares for all our needs and us. He doesn't have the ability to care for anyone other than himself.

Satan is a powerful liar and deceiver. Only after he deceives us does he have any power or authority over us. If he can convince us to follow him, then we are at his mercy. He will use us and when he no longer needs us he will destroy what remains of us. He only cares about himself and is on a road to total destruction and desolation. His deception is so powerful that he has deceived himself.

The most frightening thing about this is that Satan at one time or another has deceived us all. And, once we have sinned, we became ungodly sinners. What a pickle we find ourselves in. But, there is good news! God is LOVE, and He gave His Son, Jesus the Christ, as a sacrifice for us. Jesus has paid the price for our sins with his shed blood on an old wooden cross two thousand years ago. How do I know? Because the Holy Bible tells me so. Not only that, but I feel his loving kindness, tender mercies and longsuffering in my life almost every day. ~AWD

# SLIPPERY SLOPE

By James R. Cook

*"One can search the Constitution from first word to last and find no authority for Congress to involve itself in education, welfare, agriculture, health care, retirement, the arts, marriage law or whether baseball players take steroids." ~Michael Tanner*

My wife and I disagreed recently about subsidized day care. Someone we know was attempting to get this assistance. It would free her fiancé up from babysitting and he could get a job. My wife thought that this was a worthwhile government program. I claimed that this was not a proper function of government. What would the founding fathers think of a government that, among other things, was collecting taxes to dispense to people for someone to take care of their kids? My wife's eyes glazed over.

No question, day care is necessary and the market system makes it widely available. If someone can't afford it, then private charities should be available to help them. However, the government has assumed the role of charities and private institutions. Consequently, there is no need for a private charitable response. It's just another responsibility that has been turned over to the state.

Now, if someone argues against this government system, they can easily be portrayed as a nut. Who would argue against poor people having day care for their children? Who would suggest that we take this assistance away? In other words, once this government program is embedded, it's impossible to ever end it. Since it would harm people to terminate government subsidized day care, it will never happen. There is no charitable alternative. At the time it was first proposed, the best case could be made against it. Now, it's too late. Like all government social programs, it cannot be turned back or ended. It can only be expanded.

Someday, however, this program will end and so will other social schemes including Social Security, subsidized housing, Medicare, Medicaid, unemployment compensation, welfare and all the others. That's because their costs cannot be controlled. Eventually, they will bankrupt the nation. As their costs rise, taxes will also rise, killing the capitalist goose that lays the golden egg. Reduced tax collections will promote higher tax rates, thus, hurting business and leading to further reductions in the amount of taxes collected. Eventually, the government will be unable to fund its social

programs. This will not be a happy time for anybody.

When you type "Daycare Subsidies" into Google, you turn up the following:

Free government grants for 2007. Billions available. Never repay!

Instant Online Access of \$25,000 and up of free government grants and money regardless of income or credit history

You never have to pay back!

Thousands of people receive these free government grants and monies every day. So can you. Claim your slice of the free American Pie!

This kind of excess isn't solely a knock on subsidized day care. It's an indictment of the whole government process of taking money from those who earn it and passing it out to those who don't. Private charity doesn't allow for this kind of excess. It's far more discerning about who is deserving and who isn't. It's not wasteful. It's not permanent and it generally makes people begin to rely on themselves. Private charity can apply "tough love" but government never can. While government charity gives the most to those who refuse to help themselves, private charity gives less. Private charity improves society and the human condition. Government subsidies make it worse.

There are two terrible trends in America that mutually reinforce one another. Both are the death knell of civil society. The subsidized underclass grows far faster than the general population. They will use their political power and votes to strip the most productive people of their assets. Through high taxes and expanded social spending, they will eventually get what you have. The underclass are a huge cost to society. Their misbehavior, illegitimacy, addiction and bad health strain the legal, penal, social and health systems to the breaking point. Their criminality is a threat to all of us.

Finally, the trend to bigger government as exemplified by free pharmaceuticals for retirees and the possibility of national health care promises a sorry outcome. Apparently every problem of any consequence must now be solved by an expensive government program. As author Robert Higgs puts it, "To continue on the road we Americans have traveled for the past century is ultimately to deliver ourselves completely into the hands of an unlimited government. We can have a free society or a welfare state. We cannot have both." 