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Free Market Requires Legal, Moral, and Religious Foundations



Interview: Gaylen Byker

Gaylen Byker, J.D., Ph.D., is president of Calvin College, a Christian liberal arts college located in Grand Rapids, Mich. His doctorate from the University of Pennsylvania is in international relations/international finance. Also, Dr. Byker has been an investment banker with Chase Manhattan and Banque Paribas and a principal in an entrepreneurial natural gas firm in Houston, Tex.

R&L: *You have spent a large portion of your professional life in the business world. How has your faith informed how you approach your vocation?*

Byker: My faith, which had much of its formation while I was a student at Calvin College, has informed my professional life in two ways. One has been by formulating my worldview, a perspective that declares, first, that this is God's world, that everything was created good by God, and that human beings, especially, were created in God's image. Second, this worldview affirms that creation is fallen and deeply tarnished by sin. Finally, this worldview believes in the Good News of redemption and our role as agents of renewal. As a child, I learned this structure from the *Heidelberg Catechism* as sin, salvation, and

service. This sort of worldview carries over into business when we see our role in God's plan and God's world, where there is good and bad in everything and where we are called to struggle against the bad and to build on the good.

The other way my faith has affected my professional life is through the idea of "calling." Religious faith and tradition have always brought with them a strong sense of calling, implicit in what I have said about living out a Christian worldview. This is a view that all of life and work are deeply embedded in a spiritual, ethical framework. When you see your life as a calling, you understand that you do everything before the face of God, regardless of what you do.

R&L: *How does this emphasis on calling play itself out?*

Byker: When looking at your vocational choices, you ask, "In which of these lines of work are my skills most needed for transforming something that needs changing?" So, in my case, I appreciated the opportunity in investment banking to develop new approaches to Third-World debt restructuring, because I think there is a serious problem both in those countries and in those debt situations. I might have chosen to do mortgage-backed securities. There is nothing wrong with doing mortgage-backed securities, but I chose long-term commodity derivatives because I considered it to be an area where I was needed and where there was a need for change.

R&L: *What is the single greatest challenge today for those in the marketplace who are striving to bring their faith to bear on their professional lives?*

Byker: *Balance* is the word I would use to describe it. If you hear a call and see the need for service in God's kingdom as important, then you are not only going to be concerned that you have prayer and devotions and that you are an honest person. You are also going to be concerned with questions like, "What kind

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of business am I in?" and "How am I conducting this business?" and "What impact does this business have?" and with balancing those factors against what the world says, which is, "Look, you should be out there maximizing your profits." Then, you see the dangers. You see aspects of business that are not conducted properly, and you say, "I can't do that." Rather, your balance of goals and methods of operation come from your bedrock understanding that there are moral, ethical, and religious components in all aspects of life.

R&L: *Similarly, how has your business experience affected your approach to your faith?*

Byker: My experience in business—and I was in some high-stress, high-demand types of businesses—has impressed upon me the complexity of these challenges and the need for personal renewal to keep yourself on track and aware that you are always dealing with the kinds of trade-offs we have been talking about. There is power for good in the free market; there are dangers and evil consequences that can come from the free market. If you are not well-grounded and constantly renewed in your faith, you can lose track of the dangers. If you are not thinking about your faith on a daily basis, it will not affect your decisions the way it should.

R&L: *You mention the complexity of business. Is it sometimes the case that those who criticize the world of business do not have the sort of practical business experience necessary to understand its complexity and, consequently, offer an overly simplistic account of it?*

Byker: That is an interesting point. I happen to think that real-life experience is a very important factor in analyzing almost anything in social, political, and economic terms. For example, people will talk very passionately about the problems of Third-World debt. In response, I say, "Let's talk about at least four different countries and four different types of debt. Let's talk about Venezuela, Chile, Chad, and the Philippines and look at what goes on in each of those situations." Third-World debt is not the same in each of these contexts, and unless you are willing to do the hard work of looking at the individual situations, you really are not in a position to make value judgments.

R&L: *Many ministers like to make these kinds of pronouncements. Does this principle apply to them, too?*

Byker: Absolutely. Now, the other side is true as well. Defenders of free-market systems who are unwilling to study the really egregious violations of

ethical and legal standards by businesses in Third-World countries are equally blind. You have to be willing to take a hard look at the data and the history of the specific situation before you criticize or commend it.

R&L: *As you mentioned earlier, much of your professional life has been as an investment banker, where you did work with Third-World development projects. What were some of the obstacles you faced in this line of work?*

Byker: In dealing with Third-World transactions and debt situations, some of the most difficult problems had to do with corruption and with lack of consistent and fair application of laws. Such situations make one focus on the legitimate role of government in establishing the structural underpinnings of an economy. If those are missing—if people can freely bribe officials and cheat, if there are no laws for how property ought to be handled—then you really have a problem. If you do not have the legal, moral, and ethical foundation for a free-market economy, you are not likely to have a well-functioning capitalist system.

R&L: *How does the presence or absence of the right kinds of private property laws affect how these Third-World markets are working?*

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Byker: Take the example of countries where a few dozen families own all the property and provide communal lands for tribal peoples. Since these are communal lands of which no one can have title, no one puts forth the effort to acquire and develop property for long-term return. So, there is a distorted motiva-

tional structure and, therefore, a distorted capitalist structure in such countries. In this country, by contrast, the vast majority of new businesses are based on the amount of money people borrow against property they own, whether it is their home or other real estate they are going to use in a business. They can bor-

row against it because they have clear title to it. If the only people in the country who have a clear title to property are these people from these few dozen families, then you can see how it would be difficult to develop that economy.

R&L: *You mention corruption as an*

Jean-Baptiste-Henri Dominique Lacordaire (1802–1861)

“Therefore the Gospel, which is the very naturalization of charity, was not a declaration of the rights of man, but a declaration of his duties.”

Lacordaire was born on May 12, 1802, near the French town of Dijon. In spite of his parents’ fervent religious devotion, young Lacordaire remained atheistic until a profound religious experience forced him from a career in law into divinity. After completing seminary, he accepted a teaching position and was appalled at his students’ relative disregard for religion. In an effort to revive public affection for the Roman Catholic Church, he argued for its freedom from state assistance and protection in *L’Avenir*, a newspaper with which he collaborated. He later accepted the pulpit at the famed Cathedral of Notre Dame, where the strength of his oratory drew thousands of laymen to worship. His other momentous achievement was the restoration of the Dominican order in France, an institution that the French Revolution had largely subverted. He died on November 21, 1861.



At the heart of all of Lacordaire’s endeavors was a concerted effort to correct the flawed assumptions concerning the Catholic Church held by revolutionaries. Radical individualism had so possessed the masses that they deemed threatening any body of authority, including the church. “So long as this spirit exists,” Lacordaire argued the year of his death, “liberalism will be vanquished by an oppressive democracy or by unbridled autocracy, and this is why the union of liberty and Christianity is the sole possible salvation of the future. Christianity alone can give liberty its real nature, and liberty alone can give Christianity the means of influence necessary to it.” Thus, the state must also cease its control of education, the press, and labor in order to allow Christianity to effectively flourish in those arenas.

Lacordaire insisted that liberty without obedience was nothing more than autonomy. An autonomous collective could not engender moral creatures, and devotion to moral imperatives supported by “a common and sacred law” was vital to the establishment of justice. Morality demands that one be dutiful to a higher order, not self-absorbed in the rhetoric of rights. The perpetrators of the French Revolution had mistakenly equated the existence of human rights with liberty. The emotive rallying cry—“Liberty, Equality, Fraternity!”—paid no heed to the duties required by God, the founder and preserver of society. According to Lacordaire, this anarchic sensibility could not support a social order: “Whoever does not love God has by that alone a permanent cause of aversion toward the social state, which could not do without God.”

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Sources: *God: Conference Delivered at Notre Dame in Paris* by Henri Dominique Lacordaire (Scribner, 1870), and *Lacordaire: A Biographical Essay* by Lancelot Sheppard (Macmillan, 1964).

obstacle as well. How does that affect the development of an economy?

Byker: The bribery of government officials or of private business officials, if pandemic, is very detrimental to the development of an economy. Such an economy is unlikely to be efficient and to develop in ways that benefit the society as a whole. It will benefit the individuals who use the system, but that,

of itself a problem; it only means that someone lent money to a country or its citizens. Third-World debt only becomes a problem when there is unwillingness or inability to repay. Governments cannot really go bankrupt, but they sometimes cannot pay their debts. Their cash flow is insufficient to meet their needs, so they become insolvent. The question for such countries then becomes, "What takes precedence? Paying our debt or

comes insolvent and defaults on its payments, forgiving that debt may take care of the past, but it puts the country in a weak position for the future. It will be unable to borrow money and unlikely to get people to invest equity capital for the same reason that people who declare bankruptcy have no credit. Again, it is a difficult decision, and one has to look at the specific situation—both in the past and in the future—to decide how to come up with a solution that does not cause terrible hardship in that country but supports the principle that loans ought to be repaid.

My experience in business has impressed upon me the complexity of these challenges and the need for personal renewal to keep yourself on track.

almost by definition, means that other people do not have access to it nor the motivation to work, save, and invest.

R&L: In light of your experience, what role do you see for Christian faith in promoting an environment in which market institutions can flourish?

Byker: The Christian faith can provide the basis for a moral, civil, and ethical foundation on which an economic structure can function effectively. Fairness, equal opportunity, and equal access are things that laws have a role to play in, but if you do not have an underlying civil society based on a set of norms that come primarily from religious sources, you are not going to have a well-functioning economy. And insofar as we have lost some of those things in this country, I think we are seeing that carry over into the difficulties we have in our economic system.

R&L: Earlier you mentioned the problem of Third-World debt; there has been a lot of talk recently, from both evangelicals and Roman Catholics, about this problem.

Byker: Third-World debt is not in and

trying to keep our economy going and keeping people employed and fed?" That is looking at the end of the process, so one has to go back and look at how the debt was accumulated. Some Third-World debt was accumulated legitimately; countries borrowed money for building roads and bridges, developing mines, and so on. Other debt was used to fund scam projects where the money ended up in some government official's pockets. Consequently, one ends up with some complex cases.

R&L: How should such Third-World debt problems be addressed?

Byker: Again, one has to look closely at the details of each situation before trying to come up with a solution. What normally happens in Third-World debt restructuring is that all the debt a country has gets lumped into one pot. Even if one bank lent money to a successful mine and another lent to a scam project, both get thrown into the same pot, usually along with government debt; that is, money that a government borrowed from the World Bank or from other governments that lent money or provided capital.

The difficulty is that if a country be-

R&L: Do you have any thoughts on the efficacy of government-sponsored loans versus private loans?

Byker: I have some strong feelings on that subject. In general, governments lend money only to governments, and, typically, that means local governments, which are in trouble already due to mismanagement or corruption—Indonesia is such a case. Such a country is not likely to use the money in a way that, in the long run, adds to the viability of that country's economy. In contrast, private loans are given to specific projects that have to demonstrate their economic viability. If that is done on a regular basis, then, generally, the most efficient businesses in those countries are going to get foreign capital and are going to provide jobs and economic growth.

R&L: So private loans create better incentives for growth than government loans?

Byker: They provide an incentive structure for growth, and they are used in ways that make economic as well as political sense, whereas loans to governments frequently are used simply for political purposes. A political official could build a bridge or road not because it is particularly needed but because the po-

litical group in that area has sufficient clout. I think World Bank projects often have ended up this way; the loans went to wrong-headed mega-projects.

R&L: *You have been president of Calvin College since 1995. In your opinion, what is the role of a Christian liberal arts institution, such as Calvin College, in preserving a free society?*

Byker: The ideal of the Christian liberal arts college is at the heart of these kinds of issues, not only by promoting scholarship about them but, more important, by training young people to be sensitive to and involved with them—to impress upon them the obligation to lead the kind of reflective life that translates into taking one's social responsibility seriously. Virtues like a work ethic, self-discipline, compassion, honesty, and being sensitive to issues of justice and stewardship—these are key elements in the continuation of a free society. If we are at the cutting edge of training young people to do these things and embody these virtues, then we have a very important role to play in sustaining a free society.

R&L: *The Acton Institute conducts programs to supplement seminarians' education with regard to economic principles. In light of your experience in both the business and educational worlds, what do you see as the benefit of providing such an education for future ministers?*

Byker: It is a very good idea, because it provides seminarians training they do not always get, and it highlights the complexity of real situations instead of looking at politicized, one-sided views or programs. I have the opportunity to serve on the board of Fuller Theological Seminary, and I think that having seminarians learn about the interrelationship of business, society, and government and

getting them to look at the actual results rather than some political agenda is very important—to inquire into what the actual impact of specific organizations is, into the pros and cons of using a business solution versus a nonbusiness one, into how free enterprise has been more successful at generating jobs and prosperity than any other system, and then to look at the things about free enterprise that are not going well and setting ourselves to fixing them, rather than advocating the abolition of the system.

R&L: *What particular economic or business principles is it important for ministers to know?*

Byker: Ministers give guidance to people's spiritual outlook and decisions, so ministers are going to influence people to do certain things, to take up certain kinds of jobs and not others. It is, therefore, important for them to have a balanced view of things in business and economics so they can give balanced and knowledgeable guidance. I have seen pastors who are more critical of business and the making of money than they are of other professions, but it seems to me that—as I said earlier—just as all

Byker: That's right. And to balance that counsel with the same kind of advice to all who face temptation in general.

R&L: *Many have criticized the free market for promoting consumerism, that is, a way of life concerned solely with accumulating things rather than concerned with how we live. How do you approach the problem of consumerism?*

Byker: Consumerism is a major problem in society today; furthermore, it has always been a major problem—just read the Old Testament prophets or Jesus' parables. Having things define who one is and what is important in one's life has always been a problem. The idea that the free-market system has made it more pervasive might be true, but modern media and advertising has certainly made it more obvious.

The spiritual and moral problems of humankind, however, have not changed since the Fall. Everybody needs to have certain things, but everybody also needs to focus on what kind of person he is and how he interacts with others. That balance comes from one's religious commitments. And there is the need to

The Christian faith can be the basis for a moral, civil, and ethical foundation on which an economic structure can function effectively.

professions are part of creation, they are all fallen. So, it is unlikely that business is any more fallen than the practice of law or politics or academics. These are all in need of careful thought and transformation.

R&L: *So, one of the most important reasons for clergy to be informed about the business world is so they can give wise and godly counsel to businessmen in fulfilling their vocations?*

constantly renew those commitments and remind ourselves that of those to whom much is given, much is required. This brings us right back to where we started—sin, salvation, and service.

Christians are called to be different. One resists temptation; one tries to transform culture and one's self. Consumerism has always been with us, it is always going to be with us, and it is one of the things that one's religious perspective is important in counteracting. *A*

Who Puts the Self in Self-Interest?

Jennifer Roback Morse

Self-interest is at the heart of economic analysis. The primary assumption of economists is that people pursue their self-interest, or in the technical expression, that people seek to maximize utility defined by the utility function. The economist typically does not analyze the content of the preferences; rather, the preferences are taken as datum or as parameters to the economist's problem. The business of economics is to understand how people with given preferences make choices under constraints.

But the question of *how* preferences are formed is important. Indeed, in many areas of our lives, the formation of preferences is of paramount importance. When we rear children, teach students, and participate in the political process, a large part of what we are doing is seeking to change people's preferences, not to take them as given.

Moreover, preferences are the most basic parameters underlying the whole of a consumer-sovereignty economy. The demand side of every output market depends fundamentally on the content of consumer preferences; the supply side of every input market depends on the preferences of resource owners. Surely the formation of preferences has far-reaching ramifications.

The question is, can economic analysis be used to say anything sensible about this process? I maintain that it can. In particular, we may ask, "Does it make any difference who is responsible for the content of the self?" When we assume that preferences are given, we are assuming that the self is already formed in advance of our analysis, but we know

from property rights theory and the theory of organizations that the assignment of responsibility and reward for various tasks may make an enormous difference to the outcome of the process.

The Problem of Collective Responsibility

One assignment of responsibility that can be rejected out of hand is collective responsibility. The collapse of the Soviet Union has shown that collective ownership and centralized control cannot work. Few economists needed that collapse as a demonstration; they have known for a long time that collective ownership tends to diffuse responsibility. People under-invest in maintaining a collectively owned resource because they correctly perceive that they will reap only a fraction of the rewards for their efforts. The resource thus will be over-utilized and under-maintained.

What is perhaps less obvious is that there exists a moral counterpart to purely economic collectivism. It could be argued that responsibility for the content of the self is somehow collective—that is, preferences are formed in some collective way, and some collection of people are responsible for the consequences of choices made based upon those preferences.

This claim is, in fact, made. We frequently hear the idea, advanced in various forms, that "society is to blame" for the anti-social behavior of some of its members, that society does form the person's preferences, character, or belief system. This claim does have a strong element of plausibility about it. Indeed, this element of plausibility is

probably the reason that this argument has gone as far as it has. Surely the environment in which people find themselves is outside of their control, especially during their formative years. The moral universe occupied by Beavis and Butthead will influence young people far differently from the influence they would experience in a society where people stop their chores at noon and at six to say their daily prayers.

Nonetheless, the claim that society forms people's preferences is a problematic one for several reasons. First, observing the influence of the general ambiance in which one lives is a long way from a proof that these are the most important influences on an individual. Second, the moral atmosphere of a time and place are themselves the result of choices made by someone, somewhere. Claiming that responsibility for the formation of the self resides with society generally simply moves the analytical problem back a step.

Most important, the observation that the social milieu matters does not prove that we ought to assign the major responsibility for the creation of preferences to "society." The standard problems of collective responsibility for creation of a good apply to the formation of preferences. The diffuse benefits from investing in the creation of preferences means that few people will do it. In the absence of private incentives, there generally will be under-investment in the production and maintenance of good morals, good character, or good preferences.

At the same time, public choice theory teaches us that government provision of collective goods is problem-

atic. The political choice to invest in collective goods becomes dominated by the particular interest groups that are likely to reap private benefits from it. We might observe that professional educators, corrections officials, social workers, and other similar professionals have a private interest in the maintenance of collective provision of preference formation.

As Public Choice scholars are fond of pointing out, the interests of those professionals may not be the true interests of society. They may, in fact, prefer moral confusion to moral clarity if moral chaos increases the demand for their services. Even in the absence of perverse motives or incentives, surely it is far from obvious that the choices made by such professionals will be led by some automatic process to some definition of optimality.

Moreover, the collective choice problem can readily rear its head in this context, as it does in so many others. If the polity is responsible for forming preferences, then society must somehow make some collective decisions. How much to invest, which preferences shall be encouraged, how much and by what means, which individuals shall be employed by the collective to undertake its work—all of these questions must be decided, and if they are decided by some form of majority rule, all the problems of vote cycling and indeterminate outcomes emerge.

Briefly, these problems occur when there is no one outcome that can beat every other outcome in pairwise competition. So, a majority might vote for one set of preferences, but the losers in that initial vote can, by a judicious choice of alternative preferences, siphon off some of the original winning coalition to create a new majority favoring a somewhat different set of preferences. This process of cycling through rotating majorities often has no obvious end and produces instability as well as in-

coherence. This may be one reason why the modern public school system does not really have a well-defined mission and why it has such difficulty achieving even the most minimal objectives. The school system is like a patchwork quilt of programs, each supported by somewhat different political constituencies, some of which are mutually inconsistent.

Collectivizing the formation of character and values is a recipe for disaster. A more promising argument, then, is that the individual is responsible for the content of his preferences and the behavior that flows from them. Certainly, an economist would find nothing exceptional in the argument that the person ought to bear the costs and reap the benefits of the behavior based on his preferences. But much more remains to be said. One must confront directly the vexing question of how one creates his preferences.

Forming Preferences and the Problem of Self-Deception

The problem, simply stated, is this: Even if a person bears the costs of his actions, how can he change his preferences? Suppose his preferences are al-

theory is that it is impossible to write a contract that fully specifies every contingency. In other words, we cannot fully anticipate every interpretation of the rules that people might invent to further their own benefit or evade the plain intention of the rules or of the social order. If people are actually calculating the costs and benefits to themselves of keeping their promises and contracts, whether they be civil contracts or implicit social contracts, they eventually will calculate that it is in their interest to renege. Such people will, sooner or later, conclude that it is in their interest to behave in an anti-social fashion.

The key fact about such a person's preferences is that he has decided to do such calculations in situations where most normally socialized people would not even consider engaging in such behavior. If we really want such a person to change his behavior in the deepest sense, we must change his preferences so that he stops his opportunistic behavior altogether. It can never be enough to so increase the penalties that the costs always outweigh the benefits.

So, we return to the original problem. How can the individual change his own preferences? There is a kind of cir-

How can the individual form himself without kidding himself? How can the person form the self and avoid deceiving the self?

ready formed in a way that he chooses anti-social behavior, that he is the sort of person who calculates the costs and benefits of his actions and decides that breaking the law, breaking promises, or otherwise engaging in anti-social behavior is optimal for him. What are we to do with him?

One approach would be to increase the cost of choosing anti-social behavior, but this turns out not to be a solution. One thing we know from contract

theory here, especially if we insist that the person is simply formed by responding to relative costs and benefits. The deeper and more crucial question is, what is considered a cost and a benefit? Is monetary reward the sole measure of benefit? Is the approbation of others significant? And if so, which others? What is the standard to which we hold ourselves and for which we reward ourselves? Such are the really important questions, and the development of the

self and of its preferences is integral to the answers that an individual gives them.

If we took the most radical utilitarian position, we might argue that the only stimuli that matter are physical stimuli of pleasure and pain. If we want a more sophisticated view of preferences and of the choosing process, we will have to do better than this. We all know from experience that there is more to the

cause his time was so valuable, he should not have to observe speed limits, stop signs, and the like. He had convinced himself that because he got his work published in major research journals, he was entitled to drive down the sidewalk. And heaven forbid if some low-I.Q. traffic cop should stop him; his response was to tear up the traffic ticket.

I do not know if this particular professor is still driving down the sidewalks

can the person form the self and avoid deceiving the self?

The Aristotelian and Christian Contributions

One very ancient answer comes to us from Aristotle: The way to become virtuous is to practice virtuous acts. How does one know what a virtuous act is? By observing the behavior of virtuous people. Even better is to apprentice oneself to such a person and to do what he instructs you to do. In this way, one can become practiced at virtue. What had been difficult or puzzling becomes easy and natural through practice.

In spite of its commonsensical approach, there is a circularity about Aristotle's answer. How does one know who is virtuous? How does one choose a teacher? Does one hold him responsible for the content of one's character?

Aristotle's response is simply that the student of virtue must trust the teacher, for if he does not, then he cannot learn from him. This is true no matter who we believe to be our teacher. If we think we are the ultimate arbiters of the truth, then we have to trust ourselves. If we are responsible for the right choice of a teacher, we have to trust ourselves in making that choice. And once we have delegated that responsibility to someone, we must trust that person.

So this position amounts to the following: The individual is responsible for the content of his preferences or for the development of his virtue. He has the responsibility both to create his own virtue and to bear the costs of his choices. The suggestion of apprenticing oneself to one who is virtuous amounts to a partial opening of this circular loop, for although one is responsible for the choice of teacher, the presence of the teacher means that additional information and input will be received by the individual. The person, although responsible for himself, will not be entirely alone.

We turn now to the uniquely Chris-



The question of *how* preferences are formed is important. Indeed, in many areas of our lives, the formation of preferences is of paramount importance.

— Jennifer Roback Morse

process than the simple response to physical, animal sensation; there is reflection, thought, and genuine choice. The person has the capacity to make genuine choices that are not simply responses to external stimuli; rather, choices are made in response to an interior process of discernment and judgment.

Among the many problems that might be confronted in this area, I will focus on only one: the problem of self-deception. For if the individual creates himself in some meaningful sense, how does he take in information that would allow him to change for the better? Is there not the problem that the individual can create for himself a closed loop that continually reinforces his previous preferences and views?

Here is an example that illustrates this problem: When I was pursuing post-doctoral studies at the University of Chicago, I heard of a professor who took the position that traffic laws did not apply to him. His argument was that be-

cause his time was so valuable, he should not have to observe speed limits, stop signs, and the like. He had convinced himself that because he got his work published in major research journals, he was entitled to drive down the sidewalk. And heaven forbid if some low-I.Q. traffic cop should stop him; his response was to tear up the traffic ticket. I do not know if this particular professor is still driving down the sidewalks

of Chicago, but the point is that an obviously intelligent person can convince himself that the most basic rules established for the obvious safety of all do not apply to him. Further, the problem of self-deception is an important one for the social order, for if we can deceive ourselves privately, we can institutionalize our self-deception in the public sphere, in the law, and in the culture generally. We might cite the popular belief that divorce is not harmful to children as an example of this process of institutionalized self-deception.

tian contribution to this problem of self-deception. In Christian theology, it is surely true that the individual is responsible for the content of the self in both senses: The individual must create his own character, and the individual bears the costs and benefits of the result. Like Aristotle, the Christian tradition recognizes that the responsible individual need not be, and in fact cannot be, completely self-contained. The person needs continual input from others, both to avoid self-deception and to obtain information about the good.

At the core of Christian thought is the concept of grace. The old *Baltimore Catechism* defines grace as a supernatural gift from God. In other words, grace flows to the individual freely from a source outside of himself. We are to respond to the gift and allow ourselves to be changed for the better.

Although there are occasionally reports of someone being knocked off his horse by divine influence, the most typical way in which we receive such grace is through other people. People tell us things, correct us gently, and lead us by example. When we allow ourselves to respond to these invitations and allow ourselves to change for the better, we sometimes can see in retrospect that there was something almost miraculous about the experience. Why did this particular person appear in my life at this particular time with this particular message for me? It is fair to say that much of the Christian ethos involves a cultivation of openness to this divine influence through others. The individual, while responsible for himself, is not alone, and this important fact of his “not-aloneness” and, indeed, his need for others is continually reminded to him.

Christianity has also institutionalized the process of self-examination. The daily examination of conscience is a habit deeply impressed upon millions of Christian people. For Roman Catholics, for example, the sacrament of reconcili-

ation, to use the post-Vatican II term, or confession, to use the old-fashioned term, creates an environment for routinely facing the reality of one’s own self-deception and error. The person voluntarily enters the confessional, volunteers information about his own sinfulness, listens to the counsel of the priest, and then follows his instructions. No one is coerced into the confessional; the priest does not go down a checklist of possible sins. The process is begun on the initiative of the individual but involves another person, and so opens the loop and allows the person to go beyond himself.

In addition to this ancient Christian practice, there is another form of confession that has recently come into common use in the wider culture. Alcoholics Anonymous uses a process known as the Twelve Steps, and self-examination and confession are integral parts. Step Four invites us to make “a searching and fearless moral inventory of ourselves,” and Step Five says we “admitted to God, to ourselves, and to another human being the exact nature of our wrongs.”

I cannot leave this section without quoting Thomas Merton, one of the most eloquent religious figures of the twentieth century, on the dangers of self-deception by the person in isolation. Merton was a Trappist monk. This particular religious community lives apart from the world and also observes a rule of silence. Merton had this to say: “The most dangerous man in the world is the contemplative who is guided by nobody. He trusts his own visions. He obeys the attractions of an interior voice but will not listen to other men. He identifies the will of God with anything that makes him feel, within his own heart, a big, warm, sweet interior glow. The sweeter and the warmer the feeling is, the more he is convinced of his own infallibility. And if the sheer force of his own self-confidence communicates itself to other people and gives them the impression

that he is really a saint, such a man can wreck a whole city or a religious order or even a nation. The world is covered with scars that have been left in its flesh by visionaries like these.” Plainly, then, the self-responsible individual cannot be self-contained. Being responsible for oneself entails a responsibility to seek guidance and input from others.

Who Puts the Self into Self-Interest?

Economics normally takes preferences as given and the formation of preferences as something outside its area of professional expertise. What economists have done for analytical convenience and the inter-disciplinary division of labor, others are beginning to treat as accomplished facts. Throughout our society, people are unwilling to inquire into the content of preferences or into the methods of inculcating preferences. Indeed, even those who are charged with the rearing of children are often fleeing the field in fear.

Perhaps it is time for economists, as economists, to reopen the question of preferences. They have an analytical training that many disciplines lack. They have a willingness to look at the evidence of the senses, to remain grounded in reality, and to be sober-minded. Perhaps they can contribute something helpful by applying the three questions that Paul Samuelson used to organize his famous textbook: What shall be the content of the preferences? How are preferences formed? Finally, who has the responsibility for forming preferences? This essay has attempted to deal with this last question, in other words, “Who puts the self into self-interest?” *A*

Jennifer Roback Morse, Ph.D., is a research fellow at the Hoover Institution. This essay is adapted from the second annual Robert Staaf Memorial Lecture in Economics and Law delivered at Clemson University in October 1994.

Thinking About Politics

Doug Bandow

Christians face many temptations. Sensual pleasure and wealth pose obvious dangers. So does power. The latter is particularly insidious because so many people, including Christians, claim to desire it for selfless reasons.

The proper role of government, the central concern of political theory, has long been a controversial issue within Christendom. For two millennia, Christian political activities have varied from tyrannical to anarchical. Today some activists publish official scorecards (“Biblical” and “Just Life” on the right and left, respectively), turning issues like a space-based missile defense into theological litmus tests. Others simply declare opposition to their preferred policies, like government welfare, to be un-Christian.

But holy Scripture and church tradition give us only general principles, not a detailed blueprint, for godly government. We are left with the Apostle James’ unsatisfying injunction to ask for wisdom, which God “gives generously to all.” (James 1:5) In making the prudential judgments necessary in contemporary political life, however, Christians can learn much from secular philosophies. None are Christian per se. Nevertheless, believers should search for a political framework that is consistent with Christian doctrine and accurately describes the way the world works.

Libertarianism—which some who should know better seem to confuse with libertinism—is such a philosophy. It makes an eminently practical claim: The business of government is not to supplant God in attempting to eradicate sin but to respect God in attempting to pro-

tect individuals from the sinful depredations of others.

Neutral Arbiter and Protector

The dominant message of Scripture is man’s relationship to God and his neighbors. The Bible gives much more guidance on how we should treat people than when we should coerce them, which is the defining characteristic of government. Scripture does set boundaries for the proper political debate. The state’s most fundamental role is to protect citizens from the sinful conduct of their neighbors. Government is “to bring punishment on the wrongdoer,” wrote Paul (Rom. 13:4).

Justice and righteousness are also recurring biblical themes. Believers and civil rulers alike must exercise justice and righteousness as individuals. However, personal responsibility differs from corporate duty. Individuals must respond virtuously to the needs of their neighbors; government must regulate, coercively yet fairly, relations between both righteous and unrighteous men. The contrast is personal virtue versus public impartiality, concern over results versus over processes. The state is to be neutral arbiter and protector, not social engineer. Biblical justice protects all men, irrespective of their identity, in their enjoyment of God’s blessings.

Protection of the needy is of special concern to God: They are, after all, the least able to vindicate their own interests. However, extra sensitivity to their rights, especially in the face of governments that are easily suborned by the powerful, does not warrant prejudice in their favor. God commanded: “Do not

pervert justice; do not show partiality to the poor or favoritism to the great.” (Lev. 19:15) In this way, godly justice and righteousness are very different from the modern notion of “social justice,” which demands equality of economic and cultural outcomes.

It is, of course, often argued that biblical strictures against “oppression” apply to seemingly neutral processes, such as the free marketplace, that lead to allegedly “unfair” results, such as wealth imbalances, yet the Bible routinely links oppression to perversion of the system of justice. For instance, the prophet Micah complained of evil men who “covet fields and seize them, and houses, and take them” (Mic. 2:2). James pointed to the exploitative rich who had “failed to pay the workmen” and “murdered innocent men” (James 5:4,6).

This is not to say that results are unimportant. To the contrary, Christians are to be generous and “do good to all people” (Gal. 6:10), but one should not conflate society and state. It has, for instance, been suggested that the scriptural call upon the “shepherds of Israel” to strengthen the weak, heal the sick, and bind up the injured (Ezek. 34:4) is a mandate for government welfare. Biblical kingship, however, means something different from today’s secular government. Moreover, such a broad injunction tells us nothing about public policy. Should the president and congressmen be doctors so that they can directly heal the sick? Should the state provide doctors for everyone? Should government fund health insurance for the poor? Or should people, through their families, churches, and other com-

munity institutions, create a private safety net for the needy? A good society cares for the disadvantaged, but nothing in Scripture requires one or another public program.

Scripture also restricts how the state can act. The most important limitation flows from the First Commandment. This century has been marked by secular rulers and systems making pretentious claims of near-divinity. Even the modern welfare state increasingly has transformed into what author Herbert Schlossberg calls “the idol state.” Today, the government purports to set moral standards, meet personal needs, and even give life meaning.

The Bible suggests that an expansive state is also bad because it will reflect the sinfulness of its participants and therefore routinely mistreat its citizens. Consider God’s dire warning to the Israelites when they requested a king (1 Sam. 8:11–17). Man is a fallen creature all too willing to do wrong. This sinful tendency is exacerbated by the accumulation of power that, warned Lord Acton, “tends to corrupt.”

In fact, the pandemic use of government by influential interest groups to enrich themselves by restricting competition and extorting subsidies would appear to fall within the biblical meaning of oppression. In such cases, some involving the best-intended initiatives, such as the minimum wage and trade restrictions, powerful interests use government to unjustly enrich themselves. The prophet Isaiah was addressing such lobbies when he proclaimed: “Woe to those who make unjust laws, to those who issue oppressive decrees, to deprive the poor of their rights and rob my oppressed people of justice” (Isa. 10:1-2).

While Scripture is ultimately more concerned about spiritual freedom—particularly liberation from sin—than political and economic freedom, the lives and dignity of human beings created in the image of God require respect

by other people, including governors. The least important person for whom Christ died is of greater value than the grandest empire.

Moreover, people must be free to respond to God’s grace, worship him, and integrate obedience to him into their daily lives, liberties that inevitably suffer as the state expands. Finally, Christ’s injunction that believers be salt and light requires an abundant communal life free from political control.

Of course, most issues fall between the extremes. About controversies like comparable worth, insider trading, and the Export-Import Bank the Bible offers little specific guidance. Rather, these are issues more of prudence than principle. God has chosen to leave them up to us rather than to state his own preference.

Where God is silent, what role should we assign to the state? Many religious activists lobby for social causes as if the outcomes were natural outgrowths of Christian theology. Yet there is no automatic link between, say, con-

the prospect of making people moral and righteous is alluring. But can there be greater hubris than the belief that one should forcibly remake individuals and transform entire societies? Thousands of years of human history suggest that such a project is fraught with peril.

One concern is simply the primacy of God. Political and economic freedom, particularly independence from the paternal welfare state, have a spiritual dimension, since liberty forces people to rely on God. The more decisions left to individuals, the more often they must exercise moral judgment and act on biblical principles.

Nor should believers forget that the basis of the state is coercion. In general, seizing someone’s wealth and throwing them in jail is not an act of love. Thus, Christians should resort to coercion only reluctantly and for the most serious purpose, not as a matter of personal preference.

Moreover, placing untrammelled power in the hands of coercive institu-

The business of government is not to supplant God but to respect God in attempting to protect individuals from the sinful depredations of others.

— Doug Badow



cern for the poor and a particular federal job training program.

Government Not A Particularly Good Teacher of Virtue

Although there is no formal Christian political philosophy, believers have good reason to be skeptical about the use of government to solve economic and social problems. The temptation to seize power in an attempt to do good is strong;

tions controlled by sinful men has proved to be disastrous throughout the ages, and especially this century. As historian Paul Johnson observed, “The state had proved itself an insatiable spender, an unrivaled waster. Indeed, in the twentieth century it had also proved itself the great killer of all time.” Even those who would like to play social engineer need to realize that mixing sinful human nature and concentrated political authority

often yields destructive results.

What of narrowly defined attempts to use government for good ends—to, say, promote biblical morality? Obviously, Christians should care about not only the opportunity to make choices but what choices are made. However, who should make such decisions? Scripture places responsibility on individuals who are responsible to God for their actions, not on the state.

Understandably so. Churches and governments alike have unsuccessfully tried to eliminate sin for centuries. While America's moral standards certainly appear to be on the decline, blaming this phenomenon on legal freedom mistakes correlation for causation. In fact, the nation's onetime cultural consensus on moral issues eroded even during an era of strict laws against homosexuality, pornography, and fornication. Only cracks in this consensus led to changes in the law. In short, the moral underpinnings of the laws collapsed, followed by the laws.

Moreover, government is not a particularly good teacher of virtue. The state tends to be effective at simple, blunt tasks, like killing and jailing people. It has been far less successful at shaping individual consciences. New laws would not make America a more virtuous nation. True, there might be fewer overt acts of immorality, but there would be no change in people's hearts.

Indeed, attempting to force people to be virtuous tends to make society itself less virtuous in three important ways. First, individuals lose opportunities to exercise virtue, which cannot exist without freedom and the right to make moral choices. In this we see the paradox of Christianity: A God of love creates man and provides a means for his redemption but allows him to choose to do evil.

There are times, of course, when coercion is absolutely necessary—most important, to protect people by enforcing an *inter*-personal moral code gov-

erning the relations of one to another, including cases like murder, theft, and abortion. Very different is the use of coercion to promote virtue; that is, to impose a standard of *intra*-personal morality, in essence to mold souls. If this were not the case, government should enforce the two greatest commandments: loving God and loving one's neighbors.

Moral-based issues like drug use, pornography, and homosexuality all have important social impacts that, one can argue, justify some state intervention. However, there is abundant evidence that government action often exacerbates the underlying problems and creates new ones. As such, these matters are fundamentally prudential, not moral, issues in the political realm.

Second, to vest government with primary responsibility for promoting virtue shortchanges other institutions, like the family and church. Private social organizations find it easier to lean on the power of coercion than to lead by example, persuade, and solve problems. Moral problems, driven underground by the law, seem less acute, causing people to work less vigorously to promote godly values.

Third, making government a moral enforcer encourages abuse by whoever gains power. The effect of sin is magnified by the exercise of coercive power. Its possessors can, of course, do good, but history suggests that they are far more likely to do harm. Even in our democratic system, rulers are as ready to enact their personal predilections—teaching children “Heather Has Two Mommies,” for instance—as to uphold biblical morality.

Politics Primarily Prudential

Although “moral” issues dominate Christian political activism, most political controversies are primarily prudential—can state intervention improve the operation of the labor market, for ex-

ample? In such cases, the lessons of practical experience are particularly powerful. Private market outcomes are often imperfect, but the results of political intervention are almost always worse. Given the problems inherent to the political process, such as imperfect knowledge, interest group pressure, perverse bureaucratic incentives, and lack of effective accountability, state action should be viewed as a last resort.

For this reason, prudence suggests due humility by would-be social engineers. In general, government should provide the legal scaffolding that allows people to try to collectively but voluntarily solve their problems. Only in extraordinary circumstances, where there is no other choice, should the state supplant private decision-making. Ultimately, a political system based on liberty will enhance man's ability to provide for his family, work with others to improve his community, exercise dominion in transforming God's creation, and enjoy the many gifts of God. Private cooperation, rather than public coercion, is by far the best method of governance in our complex and diverse society.

In the end, politics is not our most important Christian obligation. It remains significant, however, and requires us to use the wisdom with which God has so graciously offered to endow us. And wisdom, especially derived from the ghastly experience of this century, would suggest that we constrain politics to the smallest role possible. In the end, our society will be a better place if we choose to live with occasional human imperfection, rather than to attempt to suppress it through government. *A*

Doug Bandow, J.D., is a senior fellow at the Cato Institute and the author of several books, including *Beyond Good Intentions: A Biblical View of Politics (Crossway)* and *The Politics of Envy: Statism As Theology (Transaction)*.

Jacques Maritain
The Philosopher in Society
by James V. Schall, S.J.

Rowman and Littlefield, 1998. 224 pp. Paperback: \$19.95

Review by Glenn Ellmers

This book brings the considerable talents of the Reverend James V. Schall, S.J., to bear on the writings of an important and influential figure in Roman Catholic political philosophy. It has all the indications of a promising and useful work, but impressed as I am with Maritain's prodigious output and the high regard in which he is held by serious Catholic thinkers, I must confess I did not like the Maritain I found here.

Not having read Maritain since college, I now find him, in Schall's treatment, overly abstract—too concerned with categories and definitions at the expense of actual political regimes, events, and statesman. Categories and definitions are, to be sure, fundamental, but they should clarify rather than obscure. Schall, for example, explains how "Maritain's use of the word 'value,' a word often related to 'rights,' serves further to illustrate this problem [of how properly to understand rights]. By redefining the word 'value,' it can be made to have a legitimate meaning. Maritain so redefines it.... Thus, reading Maritain on rights and values requires a constant internal correction...." Conservatives today have enough trouble defending rights, equality, and liberty without trying to expropriate almost useless words like "values."

This is not say the book is not worth reading, for it surely is. Maritain is a rich mine for interesting and unexpected perspectives, and Father Schall is an enthusiastic excavator. The chapter "Justice, Brains, and Strength," for instance, re-

minds us that the Clinton administration is notable not merely for the current sex scandal but for its political and intellectual hubris (viz., the determination "to change what it means to be a human being in the twenty-first century," according to Hillary Clinton, and to "redefine in practical terms the immutable ideals that have guided us," according to her husband). Maritain illuminates such hubris under a withering light.

Attributing this to a sort of Machiavellianism in modern politics, Schall writes: "Maritain does not mean only that this system results in moral corruption for all who participate in it. He also understands that the Marchiavellian's chosen means are justified by a purpose, a new 'good,' as it were, that replaces the hierarchy of political ends found in the classical writers and based on human happiness and nature. This new 'good' is success in remaining in power." Such keen observations, however, are marred by serious drawbacks. The same chapter discusses Maritain's distinction between "absolute" and "moderate" Machiavellianism, and the problem of making political choices that are not "in themselves, evil." But there is little or no clarity about what this actually means, because there is no discussion by Maritain of actual statesmanship. Absent any such treatment, one wonders what is the point of inventing these "absolute" and "moderate" categories.

The most problematic and least satisfying chapter is "The Natural Law—Natural Right Dilemma." To begin with,

the chapter is mistitled; it is not about the tension between natural *law* (a term originating with Cicero and prevalent in medieval philosophy) and natural *right* (a Platonic and Aristotelian term). The discussion is, rather, about natural law and the modern view of rights. This discussion of modern rights philosophy, moreover, is limited almost exclusively to Thomas Hobbes and other radical moderns for whom, Schall properly notes, rights are mere whim and unlimited will.

That view is powerfully influential today, and Schall is correct in noting that this view of rights, in denying "any binding reason to natural law, [repudiates] the very validity of reason itself." As presented by Schall, however, Maritain seems oddly unaware of the more classical and sensible understanding of rights articulated by the American Founders. That understanding, so far from standing in opposition to natural law, derived rights explicitly from the "laws of nature and nature's God." The Declaration of Independence itself, according to Jefferson, expressed the elementary principles of "public right [found in] Aristotle, Cicero, Locke, and Sidney." Further, nearly every sermon, speech, and essay by the Founders on this subject stressed the connection between morality and self-government, between the commandments of revelation and the precepts of natural reason.

Maritain nevertheless disavows the very possibility that there can be a civil order grounded on natural law principles as discerned by reason. "Nothing is more vain than to seek to unite men by a philosophic minimum." Because there will always be philosophic disagreement about the most profound metaphysical questions, Maritain seems to say, there can be no strictly philosophic or rational agreement about political justice. Maritain instead "proposes a list of rights or principles

according to which men could agree to live together politically in peace but without insisting on agreement about the principles that establish these norms or standards of living.” This “proposal” seems to me as weak and insubstantial as Richard Rorty’s defense of tolerance as his “personal preference.”

There is perhaps today no more urgent task than to clarify and defend the principles of natural law. Maritain’s view of natural law, however, seems as confused as it is respectful. Schall quotes Maritain’s assertion that “natural law is a historic, ongoing philosophic discussion;” that over the course of time we develop an “increasing knowledge of what is implied by it,” which takes “the same sort of time and effort as it has taken human beings to know about other forms of knowledge—how to build bridges, for instance.” If not explicitly historicist, this certainly intimates a progressive view of moral understanding. If progress allows us to make better bridges than Archimedes—as it surely has—are we by the same process morally wiser than the Angelic Doctor? This discomfiting suggestion is not lessened by Schall’s bold assertion that Maritain presents “perhaps for the first time in political philosophy, an account of the temporal order that is adequate to its own natural purpose.”

Father Schall could not, of course, treat every nuance in Maritain’s thought in this single volume, and some of the criticism made here might be qualified by a fuller treatment. I do wish, though, Schall had gone further in explicating his few and gently offered disagreements with Maritain. One can say this: The book goes far to illuminating, though not resolving, the tension between Thomism and neo-Thomism—still the central question of modern Catholic philosophy. A

Glenn Ellmers is director of research with the Claremont Institute.



Book News



C. S. Lewis: Memories and Reflections

John Lawlor
Spence Publishing Co., 1998
160 pp. Hardcover: \$22.95

This book need not have been written. Though Lawlor writes in a rare and fine prose style that is a delight to read, and though his memories of Lewis paint a charming portrait, no new ground is broken; there does not seem to be anything here that does not appear in fuller and better treatments of Lewis’s life and thought. Lawlor is to be praised, however, for reaffirming the overlooked unity of Lewis’s vision as an imaginative writer and a literary critic.

The C. S. Lewis Readers’ Encyclopedia

Jeffrey D. Schultz and John G. West, eds.
Zondervan Publishing House, 1998
464 pp. Hardcover: \$22.99

The stated purpose of this volume is to “help the reader get more out of his reading of Lewis” by illuminating the “larger world of people and ideas that fill the pages of his books, essays, and letters.” This purpose is fulfilled admirably.

In addition to a fine introductory biography, a list of additional Lewis resources, and a helpful timeline of his life, the heart of the book is its comprehensive encyclopedia entries. These entries are penned by a wide variety of contributors (including some of the very best Lewis commentators), and though this inevitably results in an unevenness in style and depth, it also offers a pleasing diversity of opinions on Lewis’s life and legacy. These entries are of three types: The first are the generally insight-

ful topical entries that illuminate Lewis’s view of politics, theology, ethics, and the like. The second are the analyses of every book, essay, address, poem, and published letter in the Lewis corpus. The third are the helpful notes on different aspects of his life. Though some entries border on the seemingly trivial, the reader will find that almost any possible question about Lewis’s life (Where is Addison’s Walk? What was his opinion of T. S. Eliot?) has its answer somewhere in these pages. This book will rightly take its place as the definitive reference work on Lewis.

The Pilgrim’s Guide: C. S. Lewis and the Art of Witness

David Mills, ed.
Wm. B. Eerdmans Publishing Co., 1998
208 pp. Hardcover: \$20.00

Of the number of studies published this year to commemorate the centenary of the birth of C. S. Lewis, *The Pilgrim’s Guide* is one of the few that truly advances our understanding of Lewis rather than rehashes the overly familiar themes and topics. This collection of essays is unified by the theme of Lewis’s “art of witness,” an art that was for Lewis “both a moral act, in the formation of his character, and an intellectual act, in knowing how to speak the word so that it would be heard.” Especially useful are the first three essays (comprising the first part, “The Character of a Witness”), which find the root of Lewis’s uniqueness and value in his profound grasp of the human person’s eternal character, his deep commitment to advancing Truth, and his unique vocation of conducting his scholarship in the public square.

—Gregory Dunn



Rev. Robert A. Sirico

On Declaring Capitalism a Failure

The meltdown of Asian markets, combined with a high-profile hedge fund failure at home, has revived the familiar charge that capitalist greed and pervasive market failure are the sources of economic crisis. What happened to Asian economies and one hedge fund has become a metaphor for the systemic moral failings of capitalism itself.

"It is beginning to be accepted that global capitalism is in serious trouble," writes John Gray in *The Nation*, echoing sentiments widely shared on the political left. In apocalyptic tones, he predicts the coming "breakdown of global laissez-faire." Even more bluntly, the editor of the *National Catholic Reporter* wrote recently that given this year's events and the plight of the poor everywhere, "one thing seems clear to me: Capitalism doesn't work."

Both editorials are symptomatic of a resurgence of old-fashioned anticapitalist moralizing, consisting primarily of flawed economic analysis and a generous dollop of redistributionist ethics. Their solutions are predictable: They desire more regulatory control and redistribution of the world's resources by means of government policy. It is an old story but with a postsocialist twist. Clearly, the left (secular and religious) is hoping that recent financial troubles will serve as a rejoinder to everyone who crowed about the failure of central planning after 1989.

The problem is that it requires ideological blinders to regard the Asian meltdown and the failure of a hedge fund as a crisis of capitalism. These events have explanations having to do with mundane issues of money and finance. For example, the investment strategy of the hedge fund Long-Term Capital Management was based on a mathematical model formulated to notice small yield and price discrepancies in bonds and currencies, with programmed buying and selling based on certain assumptions about the future. The model was constructed based on historical patterns that held well for two years, generating returns in upwards of 40%.

It so happens that not all price patterns from the past

hold in the future, contrary to the assumptions of the model. In the dark days of August and September, when the prices and yields took a wholly new turn, the risk that earned the firm such spectacular profits came back to devour it.

What we see in this case is not institutional failure but human failure. Successful investors sometimes forget that the future cannot be known with certainty by anyone. It is a peculiar trait of human nature that we are, time and again, inclined to believe that our ignorance can be overcome.

**It is not capitalism that is in crisis
but the remnants of state
planning.**

There is nothing wrong with speculation, and, indeed, if making good judgments about an unknown future helps coordinate economic maladjustments, that is all to the good. The problem arises when arrogance tempts us

to believe in our own infallibility. It is this very hubris that leads some intellectuals to embrace the folly of central planning.

What does any of this have to do with corporate greed or the failures of the capitalist system? Nothing. Critics who say it does have confused human error with a social structure of sin itself. What is needed is to focus the penalties for getting carried away more particularly on those firms that are responsible. This is the system called profit and loss, one that has been compromised in an age of bail-outs and loan guarantees and investment houses that are declared too big to fail.

No economic system can rid the world of human fallibility, and none should try. But major elements of the Left have not yet accepted the reality that the market economy, whatever its flaws, is no longer merely an option. It is not capitalism that is in crisis but the remnants of state planning, which those on the left still defend with such misguided moral passion. *A*

Fr. Sirico is the co-founder and President of the Acton Institute and a Roman Catholic priest. A longer version of this article appeared in The Wall Street Journal, November 18, 1998.

“...no *sin*, simply as such, should be made a *crime*.... Of course, many acts which are sins against God are also injuries to our fellow-citizens, and must on that account, but only on that account, be made crimes.... We hear too much about the State. Government is at its best a necessary evil. Let's keep it in its place.”

—C. S. Lewis—

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