

DEFENDING THE FREE MARKET

THE MORAL CASE
for a FREE ECONOMY

THE REV. ROBERT SIRICO

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INTRODUCTION

The End of Freedom?

Have you ever seen a photograph of the earth at night? Lights are scattered across the globe, wherever human beings live and work and prosper. But there is a strange blank shape at the top of the Korean peninsula, all the more remarkable because the lower half of the peninsula, South Korea, is a blaze of luminosity. The dark patch above it is socialist North Korea, where the people live in such desperate poverty that their country is dark at night. The one tiny point of light is Pyongyang, where party elites enjoy the fruits of the miserable labor of the North Korean people, who are essentially slaves. Otherwise, North Korea is simply dark.

The illuminated lower half of the peninsula offers us a vision of what the world looks like with freedom—the freedom to create, prosper, and, as is so obvious, even to illuminate. But you also have in that photograph an image of what the world might look like were the torch of human liberty to sputter out, casting civilization into darkness.

Surely, some will say, the possibility is only alarmist rhetoric. Surely things will go on as they ever have. Has it not been always thus?

In response to that question I would merely point to human history. The lesson is plain. Civilizations fail. The reason they fail is also plain. When civilizational virtues are eroded from within, people lose the capacity to defend the good things those habits enabled previous generations to achieve. Think of ancient Greece; or the Roman Empire; or Germany in the 1930s. There are many other examples.

We need to look around us. Aside from the two world wars, the current global debt level is unprecedented.¹ When one generation borrows more than the next generation can ever expect to repay, a society eventually reaches a tipping point.

And consider the demographic winter that is rapidly descending on Europe. Have Europeans lost hope and are therefore losing the desire to have children? Or has raising children simply become too much of a bother for a culture increasingly interested in the pleasures of the moment? In either case, the consequences are heavy. All the talk of a pension plan crisis in Europe masks what is really a moral crisis: Europe is growing sterile, and the bonds that link one generation to the next have been weakened by a nanny state that has taken over many tasks previously filled by parents caring for their children and children caring for their aging parents. The result is an aging population who, in many cases, are alienated from their children. In such a context, who will willingly produce the multitude of goods and services the European elderly will require to enjoy the many idle years they hope for? All of the financial sleight of hand in the world will not remove the problem of fewer and fewer workers being asked to produce goods and services for a growing number of retirees—whom the workers may have little personal connection with or affection for.

Even within the United States, there is an evident tendency in the same direction. Our birthrate has dropped to just over the replacement rate, with a growing number of young men and women opting to relax and enjoy the fruits of our prosperity rather than raise a new generation to carry it on.

At the same time, the penchant for hedonism over hard-achieved excellence leaves many young Americans from middle class families

vulnerable to simply being outcompeted by the more industrious in an increasingly global labor market.

Then, too, consider the breakdown of trust, integrity, and responsible freedom that contributed mightily to the continuing financial crisis, which began in 2008.

All of these trends have one thing in common—a selfish failure to look beyond our own lives. The attitude is perfectly summed up in the words of the economist whose misguided theories have done so much to steer many nations into bankruptcy. John Maynard Keynes said, “In the long run we are all dead.” In that single sentence he captured everything that was missing from his economic worldview and much of what’s wrong with America and the world today.

Too many of us have lost hope. We may expect to have fun tomorrow or over the upcoming weekend. But a more richly imagined hope—one whereby we project and pledge ourselves to a future characterized by human flourishing for ourselves and future generations, for our communities and the nation—this, I suggest, has been eroded over the past fifty years and replaced with a vision of ourselves as without a destiny and calling, without a worthy purpose.

The problem isn’t just a numbers game, and it can’t be solved by simply tweaking this or that budget line, or wringing a little waste out of the system here or there. What threatens to bring freedom to an end is that we have forgotten the end of freedom, in the other sense—its aim or purpose.

The confusion is all around us. Liberty is confused with license, cronyism with capitalism, mere schooling with education, Social Security with genuine intergenerational solidarity, and real social responsibility with taking money from one group and giving it to another—and never mind the cultural devastation wrought upon the recipients by this Orwellian form of “welfare.” We have come to believe that the government bureaucrat is a Good Samaritan.

All too many confuse a market economy with consumerism, seeing a buy-buy-buy mentality as the outcome and goal of economic liberty. But consumerism is the muddled idea that only in *having* more can we *be* more. Rather than the Cartesian formulation, “*cogito ergo sum*” (“I think

therefore I am”), some have come to believe that shopping is the proof of existence: “*consumo ergo sum.*” Consumerism is wrong not because material things are wrong. Consumerism is wrong because it worships what is beneath us.

Far from a synonym for capitalism, consumerism makes capitalism impossible over the long term, since it makes capital formation all but impossible. A consumer culture isn’t a saving culture, isn’t a thrift culture. It’s too fixated on buying the next toy to ever delay gratification, to ever save and invest for the future. The point is elementary: you can’t have sustainable capitalism without capital; you can’t have capital without savings; and you can’t save if you’re running around spending everything you’ve just earned. But the confusion has grown so deep that many people today do not have the ears to hear it. Indeed, the policies of our nation’s central bank seem to reinforce this habit by driving down interest rates to near zero and thereby denying people a material reward—in the form of interest on their banked savings—for foregoing consumption.

Can it be mere coincidence that we are beset by decline just as the Judeo-Christian worldview has retreated from the public square? We are suffering a crisis of confidence whereby no one can judge any idea, person or culture without in turn being judged an absolutist or hatemonger. The idea seems to be that all worldviews can come together on the allegedly neutral ground of secular relativism and “all just get along.” The loudest proponents of tolerance have become the most intolerant, and they don’t even seem to notice the contradiction. Meanwhile, many of the rest of us seem to have forgotten that secular relativists have a worldview of their own. We’ve appointed them—who are really our fellow contestants—referees in the cultural contest of ideas, and then we sit and wonder why our country appears to have lost the animating moral logic that once sustained it.

When the Judeo-Christian worldview is replaced by a vaguely formed and only partially acknowledged philosophical materialism, then all that matters is what we can get for ourselves today. What is lost is a sense of history as a meaningful and linear thing, as something moving toward a great consummation. When a person loses that, when a whole people loses

that, when the institutions that serve to organize and govern a people lose that, the loss is severe and reverberating.

When freedom is divorced from faith, both freedom and faith suffer. Freedom becomes rudderless, because truth gives freedom its direction. The most adept political player with the flashiest new policy or program can lead the people around by the nose. Freedom without a moral orientation has no guiding star. On the other hand, when a people surrenders their freedom to the government—the freedom to make moral, economic, religious, and social choices and then take personal responsibility for the consequences—virtue tends to waste away and faith itself grows cold. Theocracy is the destruction of human freedom in the name of God. Libertinism is the destruction of moral norms in the name of liberty. Neither will do.

The link between economic liberty and public morality is not tenuous; it is clear and direct. Economic liberty exists where private property and the rule of law are respected. Consider the case of modern Russia, a culture of rich and poor with only a small and struggling middle class—because corruption is rampant in its pseudo-market institutions. While a few friends of the government higher-ups make out like gangbusters, the vast majority of the population, including the class of poor but aspiring entrepreneurs, often finds itself facing an unscalable wall of insider cronyism.

Or to take the flip side of this pattern, history shows that societies with a consistent respect for the sanctity of private property and other economic rights also tend to have relatively intact cultures, along with rising standards of living not just for the wealthy but also for the middle class and the poor.

One word of warning: as soon as we begin talking about rights, we have to be very clear what we mean, since a lot of mischief against human freedom has been committed in the name of so-called “rights.” The moral defense of liberty requires that we make distinctions between rights and privileges, between society and government, between community and the collective. Rights, society, and community are all part of the natural order of liberty. Privileges, government, and the collective are not entirely separate, but they are essentially different in that they rest on coercion.

A moral argument for economic liberty should not shrink from its own logical implications, however politically unfashionable they may be. The imperative against theft and in favor of the security of private property also implies caution about taxes above the minimum necessary for the rule of law and the common good. The freedom of contract must include the freedom not to contract.

It is sometimes said that no one dreams of capitalism—admittedly a narrow and problematic word. This must change. Rightly understood, capitalism is the economic component of the natural order of liberty. Capitalism offers wide ownership of property, fair and equal rules for all, strict adherence to the rules of ownership, opportunities for charity, and the wise use of resources. Everywhere it has really been tried, it has meant creativity, growth, abundance and, most of all, the economic application of the principle that every human being has dignity and should have that dignity respected.

And please don't tell me the free market is a myth simply because it has never existed in a pure form anywhere. Tell that to my grandfather. He came over to America with \$35 in his pocket, yet almost all of his thirteen children went on to become middle class. Capitalism, rightly understood and pursued, has lifted untold millions out of abject poverty and allowed them to use skills and talents they would never have discovered, and to build opportunities their grandparents never dreamed were possible. The free economy is a dream worthy of our spiritual imaginations.

The good news is that the road to decline is not inevitable. Renewal is possible. A fatalist vision is not merely unsatisfying; it is unreal. We face a crisis that runs deep, but the outcome of the crisis is by no means determined. My message is not that of the placard-carrying street evangelist: "*The end is upon us.*" My message in the pages to follow is rather that the end of freedom and human flourishing in America is approaching... *unless*. In that word *unless* is hope—enough hope, I think, to inspire us and carry us to a new renaissance, a renewal of the moral foundation of the free economy.

In 1990 Kris Mauren and I created an institution dedicated to defending and promoting the free and virtuous society because we believed in

that “unless.” The Acton Institute for the Study of Religion and Liberty is committed to recovering certain perennial truths about political, economic, and religious freedom. Those perennial truths include some heady insights but also some down-to-earth, commonsense notions like not killing the goose that lays the golden egg; not binding down your most creative talent in a regulatory spider’s web; and not teaching your citizens that they can all live at someone else’s expense.

I have been saying these things long enough to know that some people will be delighted to “finally hear that from a preacher,” while others will be shocked to hear it coming out of the mouth of a Catholic priest—and from a man who ran with Jane Fonda and Tom Hayden and the whole New Left Coast crowd of the early 1970s, no less. But they shouldn’t be surprised. I grew up. And when I returned to my faith and went to seminary, I also recovered a deep understanding of the true end—the real purpose—of human freedom. In recovering that understanding I also rediscovered the wellspring of human liberty, and began to see the way forward.

But I’m running ahead of my story. It begins in homey surroundings, a pair of small facing apartments above the Lionel train store on Coney Island Avenue in Brooklyn, New York, where a five-year-old Italian kid was about to have an encounter with an elderly Jewish woman—a *refugee*, they called her—an encounter that would shape the course of his life, leaving him with an unquenchable desire to understand and promote human dignity.

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