

CHRISTIAN PERSPECTIVES

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The Modern Little Red Hen.

Once upon a time, there was a little red hen who scratched about the barnyard until she uncovered some grains of wheat. She called her neighbors and said, "If we plant the wheat, we shall have bread to eat. Who will help me plant it?"

"Not I," said the cow.

"Not I," said the duck.

"Not I," said the pig.

"Not I," said the goose.

"Then I will," said the little red hen. And she did. The wheat grew tall and ripened into golden grain. "Who will help me reap my wheat?" asked the little red hen.

"Not I," said the duck.

"Out of my classification," said the pig.

"I'd lose my seniority," said the cow.

"I'd lose my unemployment compensation," said the goose.

"Then I will," said the little red hen, and she did.

At last it came time to bake the bread. "Who will help me bake the bread?" asked the little red hen.

"That would be overtime for me," said the cow.

"I'd lose my welfare benefits," said the duck.

"I'm a dropout and never learned how," said the pig.

"If I'm to be the only helper, that's

discrimination," said the goose.

"Then I will," said the little red hen.

She baked five loaves and held them up for her neighbors to see.

They wanted some and, in fact, demanded a share. But the little red hen said, "No, I can eat the five loaves."

"Excess profits!" cried the cow.

"Capitalist leech!" screamed the duck.

"I demand equal rights!" yelled the goose.

And the pig just grunted. And they painted "unfair" picket signs and marched round and round the little red hen, shouting obscenities.

When the government agent came, he said to the little red hen, "You must not be greedy."

"But I earned the bread," said the little red hen.

"Exactly," said the agent. "That is the wonderful free enterprise system. Anyone in the barnyard can earn as much as he wants. But under our modern government regulations, the productive workers must divide their product with the idle."

And they lived happily ever after, including the little red hen, who smiled and clucked, "I am grateful. I am grateful."

But her neighbors wondered why she never again baked any more bread.

An Unknown Author

In the real world we need not wonder why the little red hen never again baked any more bread. Just look at the economic results of socialism-communism in Russia today. Socialism, as the Reverend Jerry Falwell often says, is: "Mutually shared poverty!"

In our democratic capitalistic economy, free-enterprise in practice, the little red hen would enjoy the fruits of her industry, would continue it, and her complaining companions would have a better standard of living as well.

If you have wondered about the

relationships between Christianity and our free-enterprise society, wonder no more. Attend our April 7th conference on "What is Christian Economics" as discussed on pages two, six, and seven.

The Editor

**WHAT IS CHRISTIAN ECONOMICS?
IS FREE-ENTERPRISE ECONOMICS CHRISTIAN?
WHAT PUBLIC POLICY POSITIONS SHOULD A
CHRISTIAN SUPPORT?**

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These subjects and others will be discussed in detail at the April 7th conference co-sponsored by the Center for Business and Government, the School of Business and Government of Liberty University and CEBA, the Contemporary Economics and Business Association. Please turn to pages six and seven for panel descriptions, time, and participants.

Time: Luncheon begins at 11:45 a.m. Conference concludes after dinner and closing remarks — approximately 9:00 p.m. on Friday, April 7, 1989.

Place: Hilton Inn, Lynchburg, Virginia, adjacent to the Liberty University campus.

Accommodations: At the Hilton Inn (804) 237-6333; or the adjacent Days Inn (804) 847-8655.

Cost: \$50.00 includes conference, luncheon, dinner, and reception. Make your check payable to CEBA.

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The articles included herein do not necessarily reflect the views of either Liberty University or CEBA, but, in general, are reflective of those views unless otherwise indicated by Editor's Notes.

From The Pen Of:
Dr. Paul Craig Roberts

Local Government Sheds Accountability

Among the favorite items in the conservative's arsenal against big government are the line-item veto and decentralization based on the alleged responsiveness of state and local government to the people. But these revered weapons are not effective. A President armed with a line-item veto remains only a single power center and could hardly withstand the concentrated pressures that overwhelm Congress even when dispersed against its 535 members.

As for the responsiveness of local government, conservatives are obviously uninformed of the new breed of official graduated by our university schools of public administration and the self-aggrandizing view public officials have of their responsibilities. Not long ago the mayor of Alexandria, Virginia, flew off to China at taxpayer expense on the heels of a massive increase in local property taxes. About the same time, a member of the District of Columbia government flew off to Chile "to observe the elections." Other D.C. officials have apparently enjoyed a quarter-of-a-million dollar holiday in the Virgin Islands at taxpayers' expense.

With local officials using the taxpayers' purse to play Foreign Minister and to vacation, the conservative's picture of local accountability is too nebulous to hang on the wall. Except for old-fashioned small towns, everywhere we look public greed has raised its ugly head. The governor of Maryland intends to go on a spending binge this year with the state's \$400 million budget surplus, and the governor of Virginia has just proposed a 17% increase in personal income tax rates.

Perhaps nothing flatters the conservative myth of responsive state and local government better than the blockbuster story in the January issue of *The Washington Monthly*. In a fantastic article, "The Worst City Government in America," Jason DeParle shows that even the compassionate welfare agencies in the nation's capital focus only on feathering their own nests at the expense of the poor and suffering whom they are funded to serve. In a companion piece Katherine Boo shows that it's the same in big cities all over the country.

Mr. DeParle documents otherwise unbelievable accounts of negligence, indifference, and corruption which, if perpetrated by private parties, would result in massive legal settlements and jail sentences.

The Washington D.C. Department of Human Services has about 10,000 employees and a \$1 billion budget, 25% of city spending. Its record proves, among other things, that no case can be made for D.C. home rule. The department has a habit of losing its directors as a result of "contracting irregularities." Moreover, top aides apparently believe the department's budget is part of their fringe benefits and have used it to buy groceries and pay rent.

The Human Services department also has a habit of bumping off its wards with negligence. One elderly resident of the city's largest nursing home was locked outside on a 25-degree night and froze to death in her wheelchair. Another was burned to death by scalding water in the shower. Another showed up at a hospital emergency room covered with lice and with stockings bonded to the skin: "When the stockings were removed, the skin came off with them, and her ankles and feet were infested and covered with large and small maggots eating well into the tissue." Sexual abuses are legion.

While homelessness plagues Washington, 19% of the city's public housing stands empty, and the city's huge and overpaid maintenance staff can't ever seem to get around to fixing anything. One reason, as a review of time sheets revealed, is that during 1984 and 1985 at least 15% of all maintenance workers' time was spent fixing the bureaucrats' offices in the housing authority's headquarters.

Another reason is that maintenance staff tends to gravitate toward apartments where they can expect sexual favors. In the words of one former housing authority official, "some of these maintenance staff are spending time in these women's units when they should be working." Others are too shot up with drugs and alcohol to be able to fix anything.

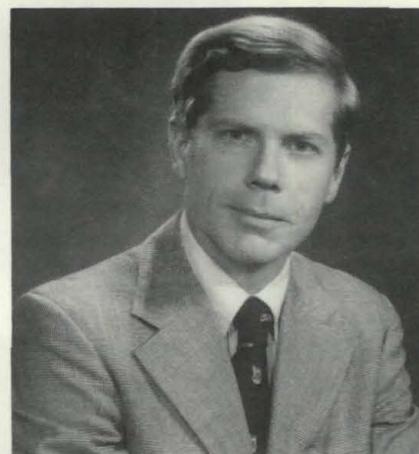
"Where is the local newspaper?" the believer in local accountability might ask. Indeed, where? All of this goes on under the nose of the liberal *Washington*

Post, which is too busy trying to hang conservative members of the Federal government for the slightest infraction to pay much attention to the horror story in the city whose home rule it champions.

The *New York Times* does a better job covering its hometown, but even that paper's resources are overwhelmed by the breakdown in government accountability. On January 20, the newspaper had two front-page stories exposing the cruel failures of the city's human services. Children continue to die from the failure of the child welfare agency to monitor their cases, and staff members of a New York state psychiatric center were caught having sex with children entrusted to their care. The director was aware of the activity, which involved disturbed children between the ages of 5 and 12, but failed to take action.

The widespread callousness of public authorities toward the vulnerable entrusted to their care tells us all we need to know about the accountability of public officials. For too long liberals and conservatives have dismissed reported incidents as aberrations, whereas in fact they are the norm. The exception is the few that are uncovered and held accountable.

There will be no public justice in America until the vulnerable are taken out of government's hands and entrusted to the churches, Salvation Army, and caring private charities that cannot build welfare empires out of taxpayer resources.



Is Capitalism Based on Greed?

by John W. Cooper

Senior Research Fellow, Ethics and Public Policy Center, Washington, D.C.

Properly understood, democratic capitalism, far from being the embodiment of greed, is the contemporary expression of enlightened self-interest harnessed for the advancement of the common good.

“What is the difference between capitalism and socialism?” I asked a young person recently.

“Capitalism is based on greed and individualism,” she said. “Socialism is based on cooperation.”

I replied, “So you believe that people in capitalist societies are basically selfish and uncaring, while people in socialist societies are altruistic and community-minded.”

“Yes,” she said.

“Is that your personal experience,” I asked, “does that describe the people you know?”

“Yes. But I’ve never lived or traveled in socialist countries.”

I said, “I suppose you also believe that the power which comes from concentrations of wealth in private hands is almost always socially destructive. But the power which comes from concentrating all political and economic power in the hands of government is almost always socially constructive.”

“Of course,” she replied, as if the answer to my question was so obvious that I must be trying to trick her.

Unfortunately, my young friend’s presuppositions about political economy are not uncommon. It is not only Communist propaganda which has painted capitalism as a system based on greed, selfishness, excessive individualism, and social irresponsibility. In the West, much of our popular press, many professors in our educational institutions (especially the most prestigious universities), many television programs, and many sermons from our pulpits have consistently described capitalism as a system based on greed and selfishness.

Even some of the most ardent defenders of capitalism — some libertarians, for example — describe our economic system as self-centered. In their minds, this is a good thing! Yet, capitalism, in some form, is the economic system of those countries in our world today which enjoy the greatest degrees of political participation, political stability, economic prosperity, social cooperation, and respect for human rights. The United States, as one example of these democratic capitalist societies, enjoys: (1) a system of political democracy coupled with (2) a reformed (and constantly reforming) capitalism and (3) a cultural pluralism characterized by a high degree of tolerance.

How, then, do we define capitalism and what is the particular form of capitalism known as “democratic capitalism?”

And, secondly, what does Christianity teach concerning the path to economic justice.

Weber’s Capitalism

Max Weber, the father of sociology, published his classic text *The Protestant Ethic and the Spirit of Capitalism* in 1904-05. He notes that certain forms of capitalism — adventurer’s capitalism, for example — have existed since time immemorial. He defines adventurer’s capitalism as a system based on mere acquisitiveness and notes that all societies of all times have had their share of acquisitive individuals. Indeed, acquisitiveness as national policy is most fully expressed in the philosophy of mercantilism. But, Weber says, acquisitiveness is not the basic feature of the modern type of capitalism which he wants to

examine. The idea that modern capitalism is based on greed should, said Weber, be permanently consigned to the *kindergarten* of the mind.

What, then, does Weber mean by capitalism? He means the division of labor, the rational organization of formally voluntary labor (i.e. workers enjoying a free and fair labor market in which they can bargain for the best wages and conditions as they themselves define such things), a strict adherence to contracts and time schedules, an open and fair market for venture capital, and the cultural preconditions (“Protestantism,” in this case) which make such a system viable. One “Protestant” trait which Weber sees as critical is the ability to practice delayed gratification, the key to successful long-term investment growth.

Modern Capitalism and Socialism

Capitalism as we understand it in the U.S. today has evolved through a long series of changes and has adopted many reforms which in their day were considered “socialistic.” For example, we think of social security, unemployment insurance, minimum-wage legislation, anti-trust legislation, the welfare system and so forth — some of these reforms are good, some may need to be revamped or even eliminated. It makes sense to speak of the American economy *not* in terms of “unbridled” capitalism or “laissez-faire” capitalism but as a system of “reformed capitalism” or “democratic capitalism.” American capitalism today is not the capitalism of the robber barons. Yet with all its “socialistic” reforms, democratic capitalism is not socialism, either.

Socialism, by contrast, is that economic system which is based on the belief that: (1) government ownership/control of the means of production is preferable to private ownership/control, (2) politically determined and commanded production goals and consumption patterns (“planning”) are preferable to the operation of a free and fair market, (3) propaganda campaigns, threats, and intimidation will better motivate people to produce wealth than material incentives and (4) government responsibility for the total welfare of all citizens from “cradle to grave” is preferable to a system which requires able-bodied citizens to be self-reliant.

Democratic capitalism as an economic system is based on quite different presuppositions: private property, markets, incentives, and self-reliance. Indeed, democratic capitalism societies not only produce more wealth and encourage more innovation, they also do a better job of fostering altruism, cooperation, and community spirit than do socialist societies. The United States, for example, does not lack a sense of community. For community spirit to exist it is not necessary that government control all collective activities. On the contrary, the existence of a vast array of voluntary associations free from government control, makes the U.S. one of the most community-spirited nations on earth. Alexis de Tocqueville said as much 200 years ago, and it is still true today.

What, then, about the charge that capitalism is based on greed? There can certainly be individuals under any form of political economy who are consumed by greed. There may even be nations whose policies — like the earlier mercantilist states — are based on greed. But democratic capitalism as we know it today in Western Europe, North America, the Far East, and many other parts of the world is *not* based on greed. It is the system and the philosophy which understands the difference between selfishness and self-interest, which accepts the unchangeable reality of human self-interest, and which harnesses this human drive to the common good. Democratic capitalism sees man’s self-interested activity for what it is: a drive to be individually self-reliant, an effort to provide for the material needs of a family, and, for many, an urge to participate in an occupation or profession which contributes to the common good.

Economics and Christian Moral Vision

Democratic capitalism is not the *Christian* form of political economy. As Reinhold Neibuhr said, “There is no ‘Christian’ economic or political system.” But democratic capitalism is the political economy in our world which is most compatible with the Christian moral vision (and with the ethical teachings of the other great world religions).

Ancient man’s worldview, as expressed in the Judeo-Christian scriptures, presupposed a commercial society based on markets and incentives. It also assumed that self-interested activity would sometimes (often?) degenerate into selfish and sinful action. Jesus’ parables aptly illustrate these themes. In one parable, the steward who multiplies his master’s capital through wise business dealings is the symbol of the Christian who nurtures his particular spiritual gifts and talents. That fair wages are sometimes *transcended* — as in the Parable of the Laborers in the Vineyard, where equal pay for unequal work is a symbol of God’s inexhaustible mercy — in no way denies the appropriateness of just wages.

The early Jerusalem Church, while undergoing a period of severe persecution, had pooled its resources and distributed them according to need. However, even in this story, the presupposition is that people justly hold private property and contribute it freely to a good cause. Anyone seeking a model for communism in the period of the early Church will find that model not in the Christians but in the Essenes, who believed that private property *per se* was evil.

The Old Testament ideal of the Jubilee Year also must be understood not as an indictment of a private property/market system, but as a reaffirmation of it. The law of the Jubilee Year, which was evidently never enforced, stipulated that the land would revert to its original owners every fifty years. This would ensure that all twelve tribes of Israel, which had been party to the social contract under which the nation was founded, would continue to control a portion of the means of production. Private property and markets are *assumed* features of the society. Perhaps the reason why the Jubilee Year concept was never implemented is that it was inherently contradictory — how could someone conduct business rationally in the 48th or 49th year!

The biblical record, far from offering sanction for socialism in our contemporary world, suggests that modern equivalents of the ancient commercial economy should be developed and increasingly brought under ethical constraints. That, in many respects, is what we have seen in the emergence of democratic capitalism and its process of constant self-reformation.

The history of Christian theology also offers many insights into the question of a just economy. For example, St. Thomas Aquinas struggled to understand the new forms of investment capitalism which were emerging in the Europe of his day, especially in the Italian cities. Did this system of investments, which was based on money lent at interest, come under the Church’s ban on usury? In an ancient agricultural economy, lending at interest almost always meant taking advantage of a fellow citizen’s misfortune. In the emerging modern world, said Aquinas, such lending was of a different sort and should not be considered usury.

In later theological developments we see further contributions to our idea of a just economy. In the twentieth century, for example, the Church and its theologians have been fully engaged in the debate over the morality of capitalism and socialism. Paradigmatic of our theological century is the story of Reinhold Neibuhr, who went from proclaiming a Marxian Christianity based on the idea of a proletarian revolution to a critical defense of “capitalistic democracy” as the system most compatible with the Christian moral vision.

These are only a few of the biblical and theological themes which must be explored by anyone attempting to formulate a Christian view of economic justice. Much work remains to be done in our seminaries and in our pulpits to further the cause of clear moral reasoning concerning the capitalism-socialism debate.

Is democratic capitalism based on greed? Is socialism a more moral system because it purports to be the philosophy of altruism and community-mindedness? Neither social science, nor biblical testimony, nor theological reflection can legitimately be used to support these myths. Properly understood, democratic capitalism, far from being the embodiment of greed, is the contemporary expression of enlightened self-interest harnessed for the advancement of the common good.

APRIL 7, 1989 — A CONFERENCE

11:00 a.m. – 11:30 a.m.

Registration — Hilton Inn — Conference Center

11:30 a.m.

Introduction by A. Pierre Guillermin, President, Liberty University

11:45 a.m. – 12:30 p.m.

Light Luncheon

12:30 p.m.

Frank Forbus, Dean, School of Business and Government, Liberty University, to introduce Dr. Norman Geisler, Dean, Liberty University Center for Research and Scholarship, and Moderator of Panel A.

**12:30 p.m. – 2:30 p.m. — PANEL A –
WHAT IS CHRISTIAN ECONOMICS?**

Presentations By:

1. **Kenneth Elzinga**, Professor, Economics, University of Virginia
2. **Tom Rose**, Professor, Economics, Grove City College
3. **Calvin Beisner**, Author, Pea Ridge, Arkansas
4. **Ron Nash**, Professor, Philosophy, Western Kentucky University
5. **Michael Novak**, Director, Social and Political Studies, American Enterprise Institute, Washington, DC

NOTE: There will be an approximate 20-minute discussion period beginning at 2:10 p.m.

2:30 p.m. – 3:00 p.m. — Break – Refreshments in Foyer

(Please leave your tables so they may be cleaned.)



WHAT IS CHRISTIAN ECONOMICS?

3:00 p.m. – 4:10 p.m. — PANEL B – THE STATE OF THE WELFARE PROGRAM

Moderator: William P. Snavelly, Professor Emeritus, George Mason University and Professor,
Liberty University.

Presentations By:

1. **James Gwartney**, Professor, Economics, Florida State University
2. **John Cooper**, Senior Research Fellow, Ethics and Public Policy Center, Washington, DC
3. **Doug Bandow**, Senior Fellow, CATO Institute, Washington, DC
4. **Kevin Clauson**, Professor, Government, Liberty University

4:10 p.m. – 4:15 p.m. — Break

4:15 p.m. – 5:30 p.m. — PANEL C – GOVERNMENT REGULATION IN FINANCIAL SERVICES – THE FED – THE FDIC – DO THEY WORK?

Moderator: Robert N. Mateer, Conference Chairman

Presentations By:

1. **Ron Nash**, Professor, Philosophy, Western Kentucky University
2. **J. Alfred Broaddus**, S.V.P. and Director of Research, Federal Reserve Bank of Richmond
3. **Bert Wheeler**, Professor, Economics, Liberty University
4. **Maurice Zaffke**, Professor, Economics, Liberty University

5:30 p.m. – 6:30 p.m. — RECEPTION – Conference Center Foyer

6:30 p.m. – 7:30 p.m. — Dinner – Hilton

7:30 p.m. — Closing Remarks By James Gwartney

The Biblical and Constitutional Form of Social Welfare

by Professor Mark Ahlseen and Stephen Putney

Olivet Nazarene University, Kankakee, Illinois

In recent years an ideology has emerged among some Christians that poverty, whether domestic or third-world, is due to the wealth of a few. This thesis proceeds by arguing that since we live in a fallen world, sinful man will not voluntarily share with his poor neighbor. And given that it is biblical for those in plenty to share with those in want, state redistribution of income (some even advocate this on an international level) is the "Christian" answer to poverty.

We disagree with this ideology on two grounds. First, unless the result of direct exploitation (which is rarely the case), the wealth of some does not lead to the poverty of others. Quite the contrary, the wealthy provide economies with needed capital that increases the productivity of labor and results in rising living standards for all. Secondly, the Christian answer to poverty is not state redistribution of income but a voluntary system. It should be God ministering through His people, not the state ministering through its servants, the civil bureaucrats, that provides assistance to the poor. (The remainder of this discourse will focus on domestic redistribution but the principles equally apply to international redistribution.¹)

On pragmatic grounds, government redistribution of income has been a total failure. Welfare spending has increased from \$182 billion in 1959 to \$696 billion in 1984 (in terms of 1985's price level). This represents an increase from 10 to 18% of GNP. At the same time, the percentage of families living under the poverty level, as the government defines this level, has remained roughly the same. But this result should not be surprising. Because we live in a fallen world, governmental subsidization of poverty (which is what welfare does) will increase the numbers of the nonworking population. In 1959, 38% of the heads of families living under the poverty level worked full-time. Twenty-five years later, this number had fallen to 11%. At the same time, the number of family heads who did

not work at all has risen from 22 to 49%. These facts demonstrate that fallen man will take advantage of any means-tested government transfer program.

In addition to direct redistribution of income, the government has also encroached on private ownership in its attempt to help the poor. This has also failed. Rent control has led to deteriorating housing and a stifling of new supply where it is most needed. Minimum wage laws have increased the unemployment rates of the most disadvantaged segments of our society.² Even the Civil Rights Act of 1964 has not had its intended effects. The myriad of quotas, hiring and renting practices, and so on that have resulted from this piece of legislation have only increased the uncertainty of the abilities of the beneficiary parties. In the process, the Civil Rights Act set a disturbing precedent. It allowed the State to acquire power beyond the limits set forth by the Constitution. While not condoning discrimination on the basis of race or sex, what limit is now constraining the State? At its whim, can it not include the alcoholic, the drug addict, the child molester, or any other social deviant under the umbrella of the Civil Rights Act? As Christian landlords, for example, we might want the right to discriminate in renting, if we so choose, against those opting for a deviant lifestyle. But this right has probably already been abrogated by the State under the precedents established by the Civil Rights Act.

All of these interventions into the free-market economy by the government have served one purpose: The enslavement of many of our society's poor to the State. The plethora of government programs has destroyed much of the poor's incentive to work, save, and acquire human capital. These dynamic effects of government intervention are almost always ignored by our political leaders.³ In addition, the flip side of these programs is also ignored. These programs must be financed; either through taxation, borrowing, or inflation (i.e., printing

money). All three of these methods will reduce the amount of capital accumulation; and reduced capital accumulation will lead to a stagnating, or worse, a shrinking economic pie, which will leave even less for the poor.

Now let us assume that the government can effectively distribute income and it has no harmful incentive effects.⁴ We would still oppose government redistribution on biblical grounds. It violates the eighth commandment (Ex. 20:15). The Kingdom of God is not just spiritual but also includes the temporal. God alone is the absolute sovereign and, as a result of the Fall, man is sinful. Since God is sovereign and man is sinful, no institution should come between God and man. Any human aspiration and subsequent usurpation of sovereignty through institutional manipulation and control is virtually a pretension to deity.

The basic question then is one of sovereignty. Who will be lord over man? Will it be God or will it be men, deified as the State? Regarding the poor, it is not a question of will they be taken care of, but rather a question of how they will be taken care of and who will be receiving the glory. With our present welfare system, the glory goes to the State. Instead, the glory should go to God, which can only occur with a private voluntary system. There can be no charity, or compassion, under a coercive state welfare system.

Thankfully, the Founding Fathers of this Republic understood the concept of lordship and competing sovereigns. Accordingly, they devised a system of civil government that was limited both in scope and power, and one that did not possess absolute political sovereignty. Civil government was to be shackled by divided authority (checks and balances) and diffused power (dual federalism). The role of all levels of civil government was to serve as a protector of our God-given rights of life, liberty, and property (though Jefferson diluted the latter to "pursuit of happiness"). Governments were instituted to insure that what is ours by right of our existence as made

in the image of God would not be infringed upon by any earthly sovereign.

The human basis for such a system of civil government was based upon the foundation of personal responsibility. In fact, the basic government envisioned by the framers of the Constitution was one of Christian self-governing individuals. They based their system of government and sovereignty upon the doctrine of the priesthood of all believers. They did not believe political freedom would be possible apart from Scripture. James Madison, the father of the Constitution, said: "We have staked the whole future of American civilization, not upon the power of government, far from it. We have staked the future ... upon the capacity of each and all of us to govern ourselves, according to the Ten Commandments of God." (James Madison, 1778)

This system of government stood strong and worked well for the better part of a century and a quarter. **Throughout this time men believed in a bottoms-up system of government: one that was personal, local, and emphasized individual responsibility.** Can we say that there were no schools, colleges, orphanages, hospitals, or social welfare programs in the nineteenth century? Far from it! These responsibilities were handled by private and voluntary agencies. These areas of ministry were conducted by people unencumbered by governmental controls.

In the nineteenth century, the national government did not even undertake projects that were not seen to be in the interests of the entire nation. Many of the nineteenth century presidents vetoed legislation that served local or state interests. They did so for the very reason that they believed such acts contrary to the form of civil government prescribed by the Constitution. President Arthur declared, "When the citizens of one state found that money of all the people was being appropriated for local improvements in another state, they naturally seek to indemnify themselves ... by securing appropriations for similar improvements."⁵ It is true this statement refers to natural improvements and not personal or social improvements. However, it does illustrate the point that the national government in the nineteenth century did not play the role of provider that it does today. How then did we get from a system of voluntarism to collectivism regarding social welfare?

The first opportunity to implement state collectivism on the national level came in

the 1930s.⁶ The Great Depression, in large measure created by previous government intrusion into private markets, was used as an excuse for the massive New Deal programs of Franklin Roosevelt.

Though slowed during the '40s and '50s, the massive surge forward came with the Great Society programs of Lyndon Johnson, which would once and for all eliminate poverty, disease, and ignorance. Johnson decreed that this domestic war would be fought with the wealth of greedy Americans: "We are going to try to take all the money from the 'haves' and give it to the 'have nots' that need it so much." (White House speech, January 15, 1964).

Does this not demonstrate that the massive national government is operating outside its constitutional perimeters? But the proponents of state redistribution would argue that the New Testament's exhortations for communal sharing indicate we are but stewards and cannot really own property. First, if this is true, what is the usefulness of the eighth commandment? How can a person have property stolen if he does not initially own it? It is dishonest to take from one group of citizens their lawful property and redistribute it to whomever the omniscient bureaucracy deems most deserving. The Bible is very clear in its warning against theft. To take, by force of law, what belongs to one person and disperse it to others according to the whim of the State is clearly an act of theft. Bishop Fulton Sheen said:

"... freedom must have some external guaranty of itself. The external guaranty of human freedom is property. A man is free on the inside because he can call his soul his own; he is free on the outside because he can call something he has his own. Therefore, private property is the economic guaranty of human freedom." (Before House Committee on UnAmerican Activities, 1957)

In addition, there is nothing in New Testament scripture advocating coercive state redistribution. Instead, the biblical passages, used by the proponents of governmental redistribution of income, advocate a voluntary and compassionate sharing of income and wealth.

Is there an answer to the dilemma in which we find ourselves? We believe there is. First, we must compel the national government to function according to the restraints placed upon it by the

Constitution. These restraints comply with the biblical functions of civil government laid out for us in Romans 13:1-7. In verse 3 it tells us that "rulers are not a terror to good works, but to evil." Civil government needs to return to its biblical duty of rewarding good and restraining evil. **Secondly**, we need to replace the massive and inefficient social welfare programs of our civil governments.

Many Christians tell us we are naïve in thinking private organizations will obtain funding necessary to replace the current government programs. Perhaps in biblical times or 100 years ago private charitable organizations could handle the situation, but not in the complicated and sophisticated age of today. Our response to this is twofold. **First, funding will not have to be as great as that of the State because discriminating private charities will lead many nonworking poor into the labor force.** Secondly, the Scriptures do not advocate coercive state welfare programs but voluntary systems based on responsibility to God and compassion to those in need. **And if the Bible was adequate for 100 years ago, it is adequate for today and adequate for tomorrow.**

¹ See P. T. Bauer, Equality, the Third World, and Economic Delusion or David Chilton, Productive Christians in an Age of Guilt Manipulators for discussions on international redistribution.

² Prior to the massive increases in the minimum wage, black teenage unemployment in 1949 was 8.5% less than white teenage unemployment, but by 1980 it was more than double the white unemployment rate.

³ See Charles Murray, Losing Ground for an excellent discussion on the dynamic effects of welfare.

⁴ Person-to-person charity has no overhead. Private charitable organizations have approximately 25% overhead. Whereas state and national redistribution programs incur, respectively, 50 and 75% overhead.

⁵ Norton, The Constitution of the U.S., p. 46.

⁶ The first attempts were made during the Progressive era around the turn of the century. Social planners called for government control covering all conditions of life and society, making noticeable inroads in education. This was the ideological beginning of our present system.

Book Review:

Profscam: Professors and the Demise of Higher Education by Charles J. Sykes. Regenery Gateway, 1988, \$18.95 cloth.

Reviewed by Robert Mateer, Editor

As a 50-year-old parent, hopefully you have already recognized the low quality of undergraduate university education at our nation's most prestigious schools. Hopefully, you located a smallish, affordable college, that still believes in teaching, and that is where your children went or are going.

Or perhaps at age 40 you are now thinking about where to send your children to college. Or perhaps at 75 years you are concerned for your grandchildren's education. Either way, you had better read carefully Sykes' clear and shocking analysis of the poor quality of undergraduate education in our nation's most elite public and private institutions.

Our best-known institutions of higher education are and have been in trouble for a long time. There are many causes, and Sykes zeros in on the questionable role of the typical, highly credentialed professor. As the author observes, today's schools are professor-managed, not run by their presidents but by bloated, egocentric faculties who determined some time ago that good teaching simply does not produce promotions or income. The professor's incentive is towards research and more research, research of often narrowly constructed theories about which no one could possibly be concerned. Sykes gives the reader many interesting examples of such research, in the language of "profspeak," an impenetrable jargon often used to mask the fact that the professor's research really says nothing.

As the author observes, these same professors rarely show up in the classroom; their classes are taught by "teaching assistants" who often have yet to learn to speak in English. Further, business deals and "consulting" seem to be more and more important as classrooms go

empty of professors. An inevitable result of absent professors is abnormally high student enrollment for each basic class, often 500 to 1,000 students per section.

Discipline or control of the faculty is nonexistent. One example cited by Sykes is the recent expulsion at Dartmouth College of students, conservative in nature, trying hard to bring attention to a professor in an ill-taught class. The professor was apparently not even reprimanded. In this case, since the book was published, a judge reinstated the students and there is serious pressure on the current Dartmouth president to take a less liberal position, perhaps even to vacate his job.

As Sykes points out, much of the problem is a result of too many federal and foundation dollars being literally thrown at less and less viable research projects. Prestigious professors enjoy "tenure," or permanent job security, so teaching is ignored and grants are pursued. The book and the author's examples make exciting but sobering reading!

What can be done?

Sykes argues effectively that progress towards improvement can only be accomplished:

- through rewarding teaching excellence, not just research.
- by abolishing tenure.
- through making professors teach.
- by restoring curriculums so that they are centered on the traditions of Western civilization.

Unfortunately, the author describes only minimally the role of the university presidents. Anyone who can remember the campus (student) revolts of the 1960s knows that, for the most part, college and university presidents and their administrations were simply weak and ineffective, and probably still are.

Further, Sykes almost ignores the tragic immoral lifestyles of the typical student today, lifestyles characterized by no curfews, no sexual code of right or wrong, and little or no control of either drinking or drug use.

Combining all three problems — a weak administration, no control of student lifestyles other than to say that "anything goes," with, as Sykes says, an independent greedy faculty seeking both ego and monetary satisfactions and disdaining classroom teaching, results in an absolute tragedy for all Americans seeking the best for both their children and their country.

Certainly the solutions recommended by the author are a must! In addition, new administrations, new college and university presidents, must be found who have values and standards and seek not to increase their institutions' prestige but seek to teach, to educate their students before anything else. If this requires fighting to rid a campus of a recalcitrant tenured professor, in court, so be it! Further, as is so often the case, government research funding should be sharply curtailed, as government "gifts" more often than not are simply government intervention and control in disguise, more often detrimental than helpful. Finally, administrations and faculties must join to reinstate, on all campuses, student discipline, the Judeo-Christian moral value system of our Western civilization, on which all of our great achievements have been based!

One hopes that Sykes' book is broadly read. It is a significant contribution pointing in the direction of improvements desperately needed in higher education today.

Book Review:

Prosperity And Poverty by E. Calvin Beisner, Crossway Books, 1988, \$9.95.

Reviewed by Dr. Mark Clauson, Liberty University

Calvin Beisner's new book, Prosperity and Poverty, is very possibly the first book on free-market economics and the role of government which both dispensationalists and so-called reconstructionist theologians can agree about. Possibly this is true because Beisner builds an adequate, though not faultless, scriptural argument without the unnecessary theological baggage created by debates over premillennialism versus postmillennialism or law versus grace, important issues but not essential to reach agreement about economics and government.

Beisner's essential thesis, built upon a biblical theory of justice, is that a free-market economy with limited government will maximize mankind's stewardship role ordained by God regarding the personal and public use of resources. This reviewer found the author's construct of justice quite unique, though not completely new, particularly his discussion of social justice. Social justice, like personal justice, is satisfied biblically when one receives what is due him. Furthermore, Beisner argues that biblical justice does not require equality of condition or status, merely the meeting

of a right standard in economic exchange and use of property rights. Such a concept of justice is directly opposed to the ideas of many evangelicals in the mold of Ronald Sider (Rich Christians in an Age of Hunger), who, misinterpreting certain scriptural passages, advocate governmental enforcement of egalitarian justice, consistent with socialistic/communitistic societies. The section in which Beisner responds to the Siderite interpretations of Scripture is very good exegesis.

Beisner continues his work with a very good section relating stewardship to market economic principles. He begins this section with the Scriptural mandate to hard work, continues with a discussion of division of labor and how it increases productivity as wisdom is applied to work, and finishes by analyzing the concepts of scarcity, value, marginal utility, and price. Beisner's last two chapters in the section, dealing with inflation and money creation are very useful even though the author confuses fiscal policy with monetary policy. (pp. 134-137)

In the following section the author relates stewardship to limited government. Beisner's role for government, while ex-

tremely limited, still would not meet with approval of some conservatives and theologians since he would see the ninth and sixth commandments as authority for civil government to regulate advertising and labeling, "inherently dangerous" products.

Beisner's final section treats poverty and its causes. Poverty is either self-caused or imposed, sometimes through religious error. The solution(s) to poverty must come from the churches, families, and individuals, says Beisner. This is a consistent scriptural position. Beisner's role for the church begins by defining the poor and then defining who would be eligible for support. Some may find the author's use of certain Old Testament passages inapplicable, but the overall argument is sound.

In summary, Beisner's work is an excellent treatment of the Christian view of economics and government. Yet, his book is quite readable, after a slow start, and understandable to the uninitiated. Undoubtedly, the book will be used in many introductory government classes in Christian colleges and ought to be in the library of any thinking Christian, clergy or layman.

Government is instituted to protect property of every sort.... This being the end of government, that alone is a just government, which impartially secures to every man, whatever is his own.

— James Madison-1792

The School Window

Conventional wisdom among non-Christians, as well as far too many Christians, holds that biblical teaching and admonition have little or no relevance for contemporary business and government administration. We proclaim that nothing could be farther from the truth and hold that all of man's activities and institutions must be biblically based if they are to be truly successful.

In keeping with this position, biblical teaching is at the heart of our program and is integrated in the individual courses in our School of Business and Government. This is not an easy task, for though the Word does not change, seldom do we find an explicit list of "thou shalt" or "thou shalt not" with regard to business or governmental decision-making. It is for this reason that a manager in business or government must be immersed in the principles of the Word to know in his or her heart what administrative decisions are right, and where the line must be drawn between those actions which are consistent with biblical teachings and those which are not.

It is our task to train our students to be able to make biblically consistent decisions as administrators in business and in government. This is an awesome responsibility, but one which we undertake with gladness of heart, for it is indeed a privilege to participate in the training of the next generation of strong Christian leaders in business and government.

Frank Forbus, Dean

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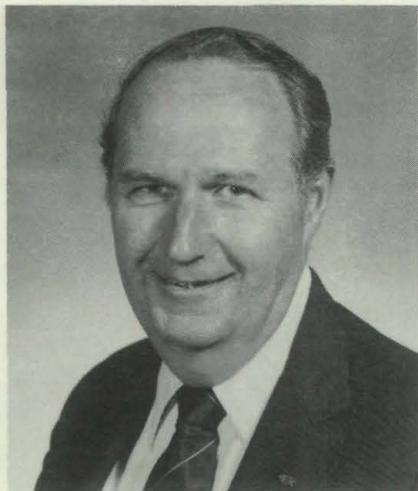
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Meet our Graduate Faculty:



Dr. William Anderson has been at Liberty University for two years. After receiving his Ph.D. in accounting at Polytechnic Institute and State University, he was on the faculty at James Madison University. In addition, his Master's degree from the University of Virginia was earned while he was Assistant Dean of the McIntire School there.

Concerning teaching at Liberty, Dr. Anderson said, "I believe that God has led me that I might serve him through helping prepare young people to be faithful witnesses for Jesus Christ in the world of business." We are always looking for God's best (like Dr. Anderson) for our faculty. Can you suggest who these choice people might be? Call or write.