

QUAESTUS

LIBERTY | FAITH | ECONOMICS



CHRISTIANITY & CAPITALISM:
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Our Mission

Quaestus is a student-led journal presenting ideas about Liberty, Faith, and Economics from a Christian perspective in order to promote human flourishing.

Our Vision

We aim to inspire the next generation of Christian thought and leaders by addressing global issues with sound moral and economic principles.

For what does it profit a man to gain the whole world and forfeit his soul?

Mark 8:36

Editorial Board



Editor in Chief

Harrison Hulse
Class of 2024

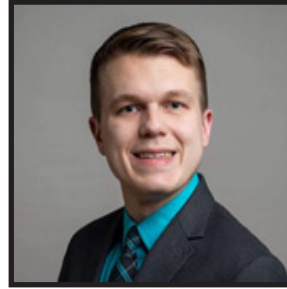
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So... What is Quaestus?

A Letter from the Editor

The following periodical includes transcriptions from the 2023 Liberty, Faith, and Economics (LFE) Summit at Concordia Wisconsin. This event is run by the Concordia Free Enterprise Center in association with the Acton Institute, an American think tank which focuses on religion and liberty. The summit is held annually and has drawn numerous high-profile speakers including this year's keynote, Scott Walker. The focus of this year's LFE summit was the compatibility of Christianity and capitalism. A second periodical will be published in the spring including student and faculty articles related to this topic.

Quaestus (*Kway-stus*) is a group for students who want to get people talking on important topics. Together, we form an editorial board of undergraduate and graduate students who are advised by Dr. Scott Niederjohn and Dr. Daniel Sem. We run two writing contests, one in the fall and one in the spring. Student editors are either chosen from the winners of these contests or invited by the current editorial board after demonstrating writing ability.

Quaestus Serves Two Main Functions

First: we publish two periodicals a year, one each semester. The fall periodical involves transcriptions from speakers at CUW's annual Liberty, Faith, and Economics summit. The spring periodical includes articles by students, faculty, and Quaestus editors. Any CUW student or faculty member can publish articles through Quaestus, although they must be accepted and peer-reviewed by the editorial board. The idea is that people can read the fall periodical for inspiration, then write articles for the spring periodical based on the themes of the one from the fall. Themes generally relate to free speech, economics, healthcare, and politics.

Second: we develop and lead forums to promote conversations on contentious topics. Our general model is to select one or more experts to speak on an issue. If we can, we will invite speakers with opposing perspectives. Our speakers will present publicly on the topic, demonstrating to the student audience that a healthy and productive conversation on this topic is possible. Students always get a chance to question our speakers at the end of the forum. In the past we have led forums on racial relations, *Roe v. Wade*, educational issues, climate change, transgender ideology, and the like.

For the members of the editorial board, Quaestus serves as an excellent opportunity to practice writing, editing, and publication. There are also opportunities to interact with leading experts in various fields, as well as chances to attend and present at national and international conferences.

Ultimately our goal as an institution is to practice fruitful conversations and careful thought. Quaestus, which means profit in Latin, emphasizes ideas that are profitable for us to be thinking about and discussing. As you read the following articles, we hope you will be inspired by them into further questioning of our world, conversations about truth, and perhaps even to step into publication yourself.

Harrison Hulse,
Editor in Chief

Capitalism and Christianity: A Quaestus Roudtable Discussion

Transcribed by: Harrison Hulse, Editor in Chief &
Anna Young, Business and Marketing Editor



Civil discourse sits at the heart of what we do as Quaestus. Whether in academic writing, deep conversation sparking, or simple fellowship and connection with the people around us, we strive to provide a venue where students can participate in conversations that aim to discover what is good, true, and beautiful and rediscover the heart of what it means to broaden one's own horizons. In our contribution to the Liberty, Faith and Economics Summit, Anna and I pursued this goal by sitting down with a number of economists, theologians, and businessmen to learn more about the theme for this year's Liberty, Faith and Economics Summit: "Is Capitalism Compatible with A Christian Identity?" Each of our guests contributed much to the conversation from their own knowledge, wisdom, and experience, painting a mosaic of thoughts that clarified many different ideas about free market economics and Christianity. Altogether, they established an insightful framework for the rest of the summit and gave us much to think about how capitalism and Christianity work together, and at the same time, stand distinctly apart in our world today.

Our roundtable discussion began with Dr. Jason Lane, the director of the Pre-Seminary program and a professor of theology at Concordia University of Wisconsin. He was asked the following: "What did Martin Luther have to say about the Christian life and economy, especially with regard to vocation? How has the Lutheran Church understood the life of a Christian as a member of a larger economic system since his time?" Dr. Lane opened his response by clarifying that the formation of Martin Luther's thought was primarily theological. Whereas sometimes we may want to cast him in an economic or political

light, his approach to questions of economics or politics was always one of a theologian, returning to what Scripture has to teach us about these things. Dr. Lane then moved into the specifics of Martin Luther's writing where it touched upon these matters. He first discussed Luther's early works, wherein he critiques harshly those who would engage in price gouging or hefty control of the markets. Even though some have interpreted that Luther held a disdain for loaning money and ownership of private property generally, this was simply not the case. Dr. Lane noted, "Luther never believed those things. He believed that no matter where you are in a social structure or system, you can still be sinful, and that you can also serve your neighbor in love."

The main thrust of Dr. Lane's response revolved around Martin Luther's ideas about the simultaneous inner man and outer man for the Christian. He noted that the inner man is the one that lives by faith in Christ. This faithful life is completely receptive to God's activity, who has called us to live in love as members of society. This inner man, and the love which his faith inspires, always dictate and govern the external life in society. To better represent the idea, Dr. Lane illustrated the concept with his own family dynamic:

"If I want my children to clean their room, I can create an external ploy to get them to clean their room with threats and punishment if they don't, and I can also [create] a system in which I give them rewards if they do it. So, what I might get out of that is get them to do the external activity. I have never dealt with their heart in that circumstance. What their mother wants very much is to come into their room and to have the room

cleaned and say, ‘Honey, why did you do that? I never even told you to do it,’ and the child says, ‘Because I love you, Mommy.’”

Dr. Lane explained that this is what Luther is interested in with the outward life. He recognized that external love for one’s neighbor can only flow from a faith-filled heart, not by compulsion, or tyranny, or pressure, or even by reward systems of any kind. Therefore, Luther’s greatest concern was with the content of the heart and orienting it by faith to produce the external love necessary for good societal function.

Our second guest was Dr. Gregory Beabout, a professor of philosophy at St. Louis University. He was asked the following questions, drawing off of his Catholic faith, “What has the Catholic Church taught historically about Christianity and the economy? How has that understanding shifted between different papal authorities?” Dr. Beabout replied quite simply at the start of his response, “Each of us is called to be a wise steward.” He went on to explain that Genesis clearly gives human beings dominion, to guard and keep the earth. God also gave human beings intellect, about which he said, “We have the task to use our intelligence and freedom in a responsible manner.” God does not tell humans exactly how to divide up the materials of the Earth, yet Dr. Beabout argues that private property is the best way. The Catholic Church’s defense of private property can be summed up into 3 main reasons: 1) Care: People are more careful with their own property. 2) Order: The system of private property is more orderly 3) Peace: Private property creates a more peaceful reality.

In the modern world, two social philosophies have emerged with very materialist underpinnings, each with a very different understanding of the human life and the human person: a laissez-faire system and a socialist system. The laissez faire system ensures that if markets are left untouched and freedom is unfettered, social problems will be solved. Out of that system, Dr. Beabout argued that we do receive credible economic growth, but also new modern problems including a very wide disparity

of wealth. Socialists respond to such problems with their idea of re-allocating the wealth and all property would belong to the government. Dr. Beabout noted, “While many young people have big hearts and really want to care for others, especially the poor, that is a great thing. Socialism recognizes that, but then plays on envy. Socialism promises to change everything... but it is not going to be peaceful and it is not going to be orderly.”

Dr. Beabout rounded out his response with an explanation of the papal authorities positions on economics systems throughout history. Examining spiritual traditions, Dr. Beabout references St. Benedict and St. Scholastica’s monastic communities, highlighting their commitment to sharing possessions. Drawing from Gospel passages, he underscores the call to self-denial and generosity (Matthew 16:24, Luke 9:3, and Matthew 19:21). Pope Leo XIII, in 1891, endorses private property but emphasizes wise stewardship, a sentiment echoed by later popes such as Pius XI in the context of the Great Depression. The overarching theme in these papal responses is a critique of extreme materialism in both capitalism and socialism, advocating for responsible property ownership in service of the common good.

Our third guest, Dr. Tyler Watts, introduced himself as a professor of economics at Farris State University. His question was the following: “How does your understanding of Lutheran doctrine inform your instruction in free market economics?” Dr. Watts began by stating that his time as a Lutheran and teaching in various Christian teaching settings has given him a keen perspective on teaching these two concepts in particular. He first focused on Luther’s Small Catechism as a touchpoint for understanding Lutheran economic life in light of the Ten Commandments, explaining that “we have to have at least some of these things in place, if not all of these things, to have a social order that allows for a market to function.” Dr. Watts discussed two key concepts to understand from the Ten Commandments for this social order: property rights and human dignity. He proposed that on account of these key concepts, one cannot have

a market without the law, respect for the Law, or good implementation of the Law. Then, Dr. Watts moved into his second touchpoint: The Lord's Prayer. He focused there on the Third Petition, "Give us this day our daily bread," and explained how from Martin Luther's broad understanding of "daily bread" as God's all-sufficient providential care, one can look at the market economy as the means by which God works to supply us with whatever our daily bread might be. "There's a very...Christian way of thinking about what the market is. It's how God is providing for us. It's not just a place for us to get rich, but a place for God to feed us with what He promised to give.

Dr. Watts' second focus was Martin Luther's doctrine of the two kingdoms: "...the left hand kingdom, where God is working in both the left hand kingdom; the state, enforcing civil order and the right hand kingdom, which is the Church, where God is working in mercy, through Christ's redemptive work [and] through the Gospel." He draws a clear distinction between the merciful work of God in the Church and the compulsive, coercive work of the state. In the kingdom of the left hand, according to Dr. Watts, the institutional authority of the left hand kingdom must be able to effectively enforce law, order, and contractual agreements between entities in the economy in order to have a highly developed functioning economy. On the other hand, the kingdom of the right hand, the Church, promotes the economic life of the Christian by a strong doctrine of vocation, a clear teaching for which Dr. Watts praises the Lutheran Church. One of the key principles of his teaching, as he explained, is the basic understanding of opportunity cost and scarcity not only within the formal marketplace, but also in every other sector of life as well. "That's a really important question for all of us at all moments of our lives.... That's applied to everything you're doing. Why should you be here right now? So, we need to have a mechanism when we're making these decisions to sort out these options." Dr. Watts noted that the price system serves this function at a macroscopic level and compared the value of a given action's ability to serve others as the same kind of sorting function in the context of

vocation. In the marketplace, if the profit gained from a certain kind of work is high, that generally indicates that the work is one which creates much value and thus serves one's neighbor most effectively, with certain reservations or limits in mind. For his final point, Dr. Watts referenced Dr. Lane's discussion of incentives, and in response, highlighted the motivator of self-interest within the marketplace by the example of his own children. He described how his older children understand that the quality of the work they do for him dictates the amount he will pay them, and that by this measure, showed how price can also act as a good incentive to motivate us to serve our neighbor all the more in our vocations.

Our fourth speaker was Mr. Bob Simi, the Executive Director of Milwaukee Regional Medical Center. Before assuming his current position, he attended the U.S. Naval Academy, was commissioned in the Marine Corps, spent over a decade in commercial sales in construction, and spent a brief time in municipal government. Mr. Simi was asked, "In what ways is it difficult to be in the world and not of the world as a Christian? How does your faith enable you to do better business with other entities?" Mr. Simi responded with a question he asked himself when he was serving our country as a marine, "How can I be a good marine corps officer and exercise my faith?". He shared that leadership and faith are not mutually exclusive and not even proportional to each other. Incorporating faith into leadership is an exponential tactic. "I am and have been a successful leader because I center my life on Christ." Mr. Simi's years of leadership experience led him to develop a list of tips entitled: Things I Wish Somebody Would Have Told Me in College.

1) There is a constant pressure to "do". But you have to "be" first. You must recognize the preeminence of having an interior life.

2) Learn about and live the virtues. The most important virtue to learn is humility. In learning humility, you will become more Christ-like.

3) If you want to find God, you need to be quiet. Limit time on your phone. Find quiet spaces. If you are uncomfortable with silence, you might be uncomfortable with yourself.

4) The Bible says “Be not afraid” 365 times. If you are actively seeking God, the devil will put his attention on you. Expect spiritual warfare and be not afraid.

Dr. Rachel Ferguson, the director of the Free Enterprise Center at Concordia University Chicago, rounded out our individual panelist responses by responding to the question, “Is capitalism a moral system of economics? Can Christians defend it?” First, Dr. Ferguson began to properly delineate what we mean when we use the word capitalism, explaining that “we want to make a distinction between free markets... [with] what I might call cronyism.” In a true free market, one succeeds when he adds value to the market and serves his neighbor through the production of good and services, whereas cronyism rewards predatory, top-down influence from governmental actors at the behest of large corporations. She determined that if we want to talk about whether or not capitalism is compatible with Christianity, then we must first remove “bad profit” from the equation as a false understanding of what capitalism is. After that clarification, Dr. Ferguson tackled the question of wealth accumulation in her evaluation of the morality of capitalism. She proposed that the Christian understanding of human dignity informs many of the basic, underlying concepts of capitalism, giving examples such as the basic right to private property and free will to make trade agreements with other people. “We want to embrace the system that is going to give that to the most people, the [greatest] ability to choose to improve your capacities and so forth,” she summarized.

Then, Dr. Ferguson revealed some of what the Bible itself says about money and wealth. She observed two contrasting messages about money in the words of Scripture. One message promotes the good side of wealth in service to God’s people through the accounts of the patriarchs, the kings of Israel, and even members of the Early Church in the New Testament. The other speaks critically of wealth, showing that it hinders one’s own faith or the faith of others. If the Bible is completely true and reliable, then

how can I reconcile these opposing views? Dr. Ferguson suggested that when the Bible condemns riches and wealth, they are often connected with deception, oppression, and exploitation; when the Bible treats these things kindly, they are associated with productivity. She continued, saying, “So, there are two ways to gain wealth. I can just extract it; I can take it from you, and now I’ve got some and you’ve got less. Or I can come up with some clever new way to do things such that we can make more of the good that we need, and then I get more, and you get more.” God’s Word becomes clearer on this issue when you begin to parse through the different teachings about wealth. To illustrate her point, Dr. Ferguson raised the question of interest charging based on the civil law of Israel handed down by Moses in Deuteronomy 23:20. She clarified that in a nation of primarily subsistence farmers, loan agreements often turned into a form of debt slavery as crop yields and natural disasters made it difficult for debts to be paid back consistently. God had forbidden his people from taking each other as slaves, so the provision here was one which affirmed the command of God. Business with foreigners was very trade-heavy and not prone to the same error, so interest in that case was a function of market economics at work in a profitable manner.

The following final question was opened up to all the panelists: “Innovation, research and scientific inquiry were once the project of Christians who sought to better understand the wonders of God’s created world and His order by which it all holds together. Since then, these disciplines have been by and large painfully divorced from the understanding whence they came for many people. How should Christians respond to projects within the free market that seek to supersede God’s created order (human bioengineering, cloning, artificial wombs,) or otherwise upset our roles as we serve one another on Earth. Examples of this could include artificial intelligence, the mechanization of human labor jobs, and more.”

Dr. Lane responded first, “When the soul is in order...or to use Augustine’s words ‘the order of love is right’ that is God is first, then all the other things are added to it”. He brought up Matthew 6:33, “But seek first the kingdom of God and his righteousness, and all these things will be added to you.” If your heart is ordered, all sorts of other things happen. Dr. Lane brought in the concept of idolatry into the discussion: “In a lot of the Scriptures, riches become gods, which steers our loves and our directions to the wrong place. All of a sudden, if my heart is not in the right place, all the activities that come out in my life are disordered. If you take the microcosm of the soul and place it on the state or the economic realm, of course you get chaos and idolatry. Innovation can be idolatrous and can try to take the place of God within that context.”

Dr. Beabout: “There is something within our desires, our yearnings, our longings, that really is infinite. At the same time, we are limited, puny, little animals. Getting our desires right is not easy. In some of these scientific realms we can do amazing things, yet we want to push that power in an infinite direction where idolatry becomes the center. Our task is to recognize we should have an infinite desire for the infinite, and to have a finite desire for the finite. We tend to live in a time and a culture where we flip those— we order our infinite desires for what is finite. In doing so, we have this urge like Prometheus to become like gods and to worship the golden calves that we create.”

Dr. Watts: “Fall back on your vocation. What is the purpose of these discoveries? Is it to serve the neighbor? It is probably good.” Dr. Watts then addressed the issue of transhumanism, “In regard to transhumanism, transhumanism serves your own vanity, not your neighbor. If the purpose is vocational – there is some good. If you are putting yourself above God, that is idolatry.”

Dr. Lane: “The temptation is that the state will solve the problem.” Dr. Lane warned that if you hand the reins to a few people within the state, someone in the state has to become a moral agent operating within the economic system. In a flourishing society, you won’t always have Christians in every position of power, but “you can have virtue that is taught within a society that helps it flourish.”

Dr. Ferguson closed out the discussion and put the scientific community in the West in somewhat of a positive light, “I think some of the most controversial things (experiments) have been done out of China, in places where there is not the same background of cultural commitment. Things like CRISPR technology, like planning your baby, could be extremely dangerous. You could end up having an upper class of people who are all genetically modified and a lower class of normal people. In the west, there has been major pushback on things like that and major limits put into place. Maybe the scientific community isn’t the worst place in terms of a mechanism.”



L to R: Mr. Bob Simi, Dr. Gregory Beabout, Dr. Tyler Watts, Dr. Jason Lane, Dr. Rachel Ferguson, Anna Young, Harrison Hulse

Answering Capitalism's Critics

Transcribed by: Eleanor Mroczenski, Senior Editor



Rachel Ferguson is the Director of the Free Enterprise Center at Concordia University Chicago, Assistant Dean of the College of Business, and Professor of Business Ethics. She is an affiliate scholar of the Acton Institute and co-author of *Black Liberation through the Marketplace: Hope, Heartbreak, and the Promise of America*. Her commentary has been featured at the *Christian Post*, the *Acton Power Blog*, *Discourse Magazine*, *Law and Liberty*, *EconLib*, and the Online Library of Liberty. Gregory R. Beabout is a professor in the Department of Philosophy at Saint Louis University, St. Louis, MO. He teaches and does research in ethics, Kierkegaard, personalism, and Catholic social thought. Some of his work involves applying personalism and the tradition of the virtues to the business and the professions. His publications include *The Character of the Manager: From Office Executive to Wise Steward*, *Ethics: The Art of Character*, and *Freedom and Its Misuses: Kierkegaard on Anxiety and Despair*. He is co-editor of *The Springer Handbook of Virtue Ethics in Business and Management*. Dr. Ferguson and Dr. Beabout gave this presentation at Concordia University Wisconsin as part of the Liberty, Faith, and Economics Summit in October 2023.

Upon introducing herself, Ferguson discussed her new book, *Black Liberation Through the Marketplace*. In it, she writes “about the history of race in America, which is a history of injustice and oppression,” and explains the primary critique of capitalism that she addressed from the basis of her research: “Is capitalism inextricably tied up with systems of injustice and oppression? This is a very important question, and obviously, if the answer is yes, that’s very damning for this

economic system.” Ferguson began the thread of her response by explaining the new historians of capitalism and misconceptions about the role of profit: “There is... a split [between] some people in academic history and some people in economics over the history of slavery and economics. The new historians of capitalism actually use the word capitalism in their name, but strangely... decided that they will not define the term... What you end up getting is a very sloppy idea of what we mean by capitalism as... something that is done for profit, but if we are thinking about activities that are done for profit, that goes back all the way to the beginning of time, right? That doesn’t really tell us anything interesting about the last few hundred years that we generally associate specifically with capitalism. People are always after profit, of course... We use terms like ‘the profit motive’ when we talk about economics, but [often] what we mean by that is that we are responsive to profit and loss signals in the business world... I have to know that I am making a profit in order to know that I am covering my costs and serving my consumers. If I experience a loss, I know I’ve got to either quit the business or change something, and that is what helps us to allocate resources efficiently.”

To illustrate her point, Ferguson asked people with jobs to raise their hand if they wake up in the morning thinking “time to go make a profit”? She explained, “I’m not saying it never crosses my mind, but most of the time when I wake up in the morning, what am I thinking about? My duties. I’m thinking about my duties to my students, ... my dean, my family, ... and so forth. I’m not exactly psychologically motivated by profit [and] very few people are.” Ferguson went on to de-

scribe an experiment she conducted after graduate school where she asked people about what made them choose their path in life. Overwhelmingly, she found that “people talked about their vocation, their gifting.” Ferguson acknowledged, “we may make decisions on the margin [between companies] because they are offering... a higher wage,” but she concludes that profit is not the only – or even primary – factor in job selection. Therefore, Ferguson established that “when we talk about capitalism, we have to be a little more specific.... Capitalism is also associated with long-term production processes...”

Ferguson went on to describe this contrast in terms of a cottage industry compared to a factory: “[Imagine] a little cottage industry... I have my sheep out in the yard, and I shear my sheep ... [Then I] put it on the loom, ... and eventually I make a shirt. ... It might take me weeks to do. ... The turn that we see in the late 18th century are these long-term production process where, instead of doing it [in our little cottage], we create factories... One place is just making the wool, and we get the wool from there. One place is just putting it on the loom and making the thread, and we got the thread from there... Now you’re churning out shirts very, very quickly... through specialization and division of labor, [so] they’re cheaper... That means, not rich people, regular people get to have a couple of shirts instead of just one... So, what does that require? It does require people to hoard up capital. You have to have enough capital to start that factory... You’ve got to build that building; you’ve got to get people hired. You’ve got to buy machines; you’ve got to get things in place. It’s going to take a while before you’re actually going to see that profit coming to you... We would call [this person] the capitalist, ... the person who hoards up capital in order to start that long-term production process.”

With this picture of a capitalist in mind, Ferguson addressed claims from Ibram Kendi, “a very important anti-racist thinker who runs a center and... has written several extremely popular books.” Ferguson said, “[He argues] that it’s not enough to... not be racist, you need to be anti-rac-

ist... In one of his books, he says, ‘racism and capitalism were born twins.’ ... In other words, they go together, so when you see claims like that, it sure looks like now you’ve got an economic system that’s got a lot of injustice and oppression... But if you actually look at American history, this is a very strange claim. Why?”

Ferguson went on to explain a historical contradiction to Kendi’s claim: “If you read books about planter culture, ... plantation owners did not see themselves as capitalist at all. They saw the northern industrialists as cold, hard capitalists; they were actually quite condemning of them. [Plantation owners] saw themselves actually as feudal lords... [and] as the sort of paterfamilias, ... even treating enslaved people as though they were almost like children, people who couldn’t take care of themselves... So, it’s a little strange to... associate American racism with capitalism, because you actually have sort of the opposite geographically... The most racist institution that we’ve ever had, slavery, ... [was] contrasted in the minds of the slave holders with capitalism, which is what was happening up North.”

Next, Ferguson addressed the roles of slavery and capitalism in the founding of the United States. She described and addressed beliefs on these topics held by the new historians of capitalism that were promoted in a series called the 1619 Project: “This is the view that 1619 is actually the founding year of the United States, not 1776, because 1619 is when the first enslaved person arrived ... The idea ... central to being American is being part of a slave society, or a society that eventually became... deeply racist, even [when] slavery was gone. But... if you look back at the great defenders of free markets, they were abolitionists pretty consistently... Adam Smith condemns slavery in every single major work he wrote. He says [slavery] is morally wrong... because the ownership that we have of our own labor is the basis of every other kind of property, which he considered to be the most important factor in economics, ... private property rights. So, what’s your most... basic property right? Your labor. You own it. You decide who you sell it to, ... what you

get paid. [It is] not that somebody else assigns your labor, which is what slavery is. So, morally, [slavery] is unacceptable.

Ferguson continued her point with another idea from Smith: “[Adam Smith] goes on to say... [slavery] also doesn’t make any sense economically. What makes a free market so powerful is your local knowledge. It is what you know about what you’re good at [and] about what you want to do, what you know about your neighborhood and its needs and... gaps in the market. That’s the special entrepreneurial gift, ... seeing... where something’s missing that people could use [and] your ability to freely pursue that local knowledge. So, if you enslaved people, you take a whole subset of the population, [and] you stop them from improving their human capital. You stop them from being able to move to where their labor is most needed. You stop them from being able to invent things. You stop them from being able to trade things. What does that mean? That means that you just lost out on everything that you could’ve gained through trade with them. You made your entire economy poorer... There were thinkers, like George Fitzhugh, in the South who actually praised... the slave system [as]... a great system of central planning. It’s so good... that poor white workers should also be enslaved, so that everyone can be taken care of... The point is that when you look at the subset of the population [under slavery] what you find is that their labor, ... [while not] totally unproductive, ... is not nearly as productive as it could’ve been if people had been free... You can see that by looking at economies that are similar, but [they] are not slaveholder economies. There’s actually really good economic data on this. There’s a guy named Nunn... he goes county by county and shows how slave harbors and slaveholding affects the future economy negatively for generations... Those counties will be poorer than counties that are like them in every other way but did not have the institution of slavery.”

With this history in mind, Ferguson critiqued the new historians of capitalism’s presentation of economic results of slavery. “If

you look at the book, *The Half Has Never Been Told*, which is about cruelty in the slave system – and it was extremely cruel, no one is denying that – what you [find] is that Edward Baptist, who wrote the book, actually seriously exaggerated some numbers. He took the numbers for how much of a role cotton played in the American economy, and he... decoupled it... The cotton contribution to the American economy was 5 percent, ... that’s a big industry, [but] he said it was 50 percent of the American economy. He also went on to say that the increase in the amount of cotton that people were able to [produce] in the South, was due to torture... The economist from whom he got his data absolutely reamed him. They said... it was due to learning how to create larger cotton balls... through creating hybrids and ... scientific planting... [Baptist’s claims] in a way say, ... ‘we [become] rich by torturing and exploiting and oppressing enslaved people.’ And what economist want to say is [that] that’s not a good way to make an economy rich; that’s a good way to make a few people rich. If you want to exploit people, oppress them, and extract their labor from them, you might get rich ... like a pirate gets rich, they just take. The pirate can enrich himself, but the pirate is not making other people wealthier through his productivity. He’s not being innovative, he’s not coming up with clever way to do ways to do things, [and] he’s not building infrastructure. That’s a lot of what you saw with the planter class... [It’s] not exactly like a pirate, ... there was some productivity, but you saw very low infrastructure building.

Given life for the slaveholders, Ferguson considered life for poor white people in the South: “What was it like to be a poor white person in the South? It was really bad. You were extremely, extremely poor because you were competing with labor that was free. Frederick Douglass was struck by this... He saw poor whites in the North, and he said, ‘you call this poor whites? Come down South with me; I’ll show you some really poor whites.’ So, what does that mean? [It] means that in an explicative, oppressive, unjust economy what you will see is a few rich and a huge number of poor, with very little in between. ... In a free market ...

[with] just laws, you will see a tendency towards a growing middle class, and that is... what we're seeing globally. Look at the Brookings Institute on this... More than ever [before], other populations all over the world are becoming middle-class within their own economy, and... that's what you want. That actually increases [economic] stability [and] political stability as well."

Ferguson concluded by pointing out the history of free market thinkers supporting black and minority rights that she discovered while writing her book: "Free market thinkers have actually been incredibly consistent on the issues of black American rights and other minority groups such as... the Japanese internment camps during... World War II [and] the Chinese Exclusion Act in the late 19th century. [They are] ... very consistent on minority rights because they believed in individual rights... One of the most famous abolitionists, William Lloyd Garrison, [was] an extreme free marketeer; he said he wanted to get rid of every tariff house in the world... Who's his most famous student? Frederick Douglass. Frederick Douglass says, 'it's not villainy, but honest stupidity when people say that to put bread in my own mouth, I have to take it out of the mouth of another man.' ... He is saying that the stupidity of Socialism is that you're playing a zero-sum game. You think there's only so much to go around, and for me to gain, you have to lose, but that's not how the market works. It's actually expansive; it expands what we have to share. I get more, but so do you. He defended free markets throughout his life. Frederick Douglass went to England and toured with Richard Cobden and John Bright, two guys who ended the corn laws in England. This is the most free market period that England ever experienced, because of these two guys, and Frederick Douglass toured with them... He became an honorary Irishman. The Irish named him the black McConnell because... he was arguing against the sorts of laws that made their food more expensive. He wanted to open up trade so that they can get cheaper food, and they... desperately needed cheaper food..."

Then, if you go on, you see that other free market thinkers were two of the major founders of the NAACP. You have thinkers like Rose Wilder Lane writing for the greatest black newspaper in the United States, arguing against zoning... [and] lynching, because of the way that it's used to oppress black Americans. Zora Neale Hurston, the great black writer, was an anti-new dealer, individualist, [and] free marketeer... I can go on and on and on... There is a whole free market, pro-black tradition and pro-minority rights tradition in the United States, and nobody talks about it. What do they assume? They assume that either you're pro-black but you're [pro] big government – you're assuming that the state has to come in to solve problems – or you're [pro] small government but you don't much care about the history of injustice and oppression that black Americans and others have experienced... There is a whole free market tradition that is neither of those things... [It is] pro-black and free market and small government, which I think is... an incredible possible third option for us to break out of this... still to find conversation that we have around injustice and oppression in our history."

Beabout began by defining capitalism and the socialist claims about consumptive acquisitiveness and environmental destruction. He first framed the socialist perspective on capitalism: "Capitalism is the system that relies on endless economic growth, [and] as such, it needs acquisitiveness. At the heart of capitalism is consumptive acquisitiveness, so the key is advertising... Advertising is not really based on showing you that this product is a high-quality product that will make your life better; instead, advertising aims to convince you to purchase things that you don't need, with money that you don't have, to impress people that you don't even like. By doing that, capitalism convinces you that you can be happy... by taking out loans bigger than what would be responsible to buy things that you don't need [and] that actually are going to make you unhappy... In the process of doing that, we end up consuming more than we need, and it's worse than that, because it destroys the environment."

We're in this time where some of the claims are... [that] it would take 1.8 years to replenish how much we consume every year, so we're in this sort of death spiral where we're destroying the environment. Now what should we do in response to that? ... There's the simple living movement, 'let's live in a [simpler] manner,' or there's a slow living movement, ... 'let's slow down... [and] not be in such a rush to over consume.' But the advocates of this argument say that these approaches are inadequate... because they only address... the situation at the individual level and what we need our structural changes... The big consumption is really tied to wealth, so that the more wealth you have, the more consumption is going on. The top one percent are consuming the most, ... [or] fifty percent of all the environmental degradation is being done by the top ten percent of people. The top fifty percent account for almost all of the environmental degradation that's going on... so, to correct things, ... there is going to have to be a massive redistribution of wealth. We need something structural, and not just something individual... This is at the heart of the socialist argument. The contemporary argument... is that we have to turn away from a capitalist economy of consumptive acquisitiveness, and we're going to do this through a degrowth policy... We're going to have a population of ten billion people: that's not sustainable. We're going to have to bring the population levels down, especially among those who are the most affluent, ... and we're going to have to re-distribute the wealth that they have, especially to those that have less wealth."

Beabout responded by first painting a picture of practiced capitalism to contrast the socialist argument: "I think the [most] serious flaw in the argument is... the vision of the human person that is presupposed... The other is... the total lack of humility in this argument. The assumption is that the ones making the argument know... what is best with regard to peoples' property. To make the response... [I'm going to] appeal to my own family, ... to my parents especially, my mom, and to her parents, ... and

to my own children, and to their children... My grandfather, Felix Deskovic, his parents came here in the beginning of the 20th century... My grandfather got an education in this country up to the sixth grade... Here's what these people making this argument would say about my grandfather: that he wasn't very educated... and that they know better about how to make decisions than he did... [With a] sixth grade education, ... he started working when he wasn't even a teenager... He had to support the family, but he also was able to support himself before he was twenty years old. In the... Roaring Twenties, he was not roaring, he was working... He would work five days a week. He would take the money that he made that week, [and] he was good enough at math to divide it up five times [into] five equal piles. He would take one of those piles and divide it in half; half would go to the church. He would take the other half of that and put it in the bank... Then he had to learn... how to live on the other four parts. Now, of course he had expenses; [he needed money to] to eat, to have a place to live, [to buy] clothes, [and to pay] for transportation [and]... all the daily necessities in life... At the end of the 1920s they had... the stock market crash and the Great Depression, but he kept up this pattern... [Eventually,] they had a half-off sale on houses, and so he bought... an apartment building on Parnell Avenue and lived in that house for sixty years. He had saved money, and this house had been repossessed. He bought it at a... really low price, ... and it was a two flat. They lived in the top apartment; that's where my mother was raised. He rented out the first level later. He redid the basement, and he rented that. So, my grandfather was a capitalist... He got a job as a barber, and then he bought another building, ... Felix's Barbershop... For sixty years, he owned that building..."

Beabout went on to describe the giving nature of his grandfather: "When he [was] five years old, [my grandparents] took my brother on vacation with them. They went to Florida. When I was five, we went to Florida, [and for] my sisters, [it was] the same. When I was twelve

years old, I went to London, to Lisbon, to Spain, to Morocco, and so on. My sisters went on trips with grandparents [too]. When I was seventeen years old, my grandparents took us all – my mom and dad, my siblings, the whole group –... to Jerusalem. We went on a trip that was called... Easter in the Holy Land and Paul’s Missionary Trips... On Holy Thursday, I was in the garden of Gethsemane; on Good Friday, we carried the cross in the same places where Jesus went. On Easter Sunday, I was right there at the tomb. Now every year of my life, I see those places again... I went to the places where St. Paul went to... Every time I hear Corinthians now, I think of [Corinth]. I went to where St. Paul [and] St. Peter went in Rome. It was just this great gift that [my grandfather] gave to us. He always [gave his] first part to the church. As he got older, he was very active in the Knights of Columbus. He ran baseball leagues for children.”

Given this image, Beabout addressed the claims of consumptive acquisitiveness: “So here’s what I would say in response to ‘What would my grandfather make of that argument?’ First, ... when you say capitalism is consumptive acquisitiveness, he would say, ‘No.’ [He would say that] the good Lord gave every one of us intelligence and freedom. He gave us the gift of being able to work. The first thing you should do with your earnings [is] give it back... Then, plan ahead; the good Lord gave you a mind... Have a savings account, and then live within your means... When you hear people tell you [that] you need to buy this to impress... people, don’t listen to them. Learn to live within your means. The [first] premise... of this argument is just wrong... Capitalism is not identical with consumptive acquisitiveness. Now, are there people that are looking for suckers? Absolutely, [but] don’t give into those people. Recognize that you’ve been gifted with intelligence and freedom, and then learn... how to give to others. Be like the good Samaritan... Then plan ahead, have some savings, and... live within your means.”



“Now, turning to this question of degradation of the environment, it is a serious problem... We need to take seriously how we... care for the earth... They turn to people like my grandfather, and [they] try to play on his envy and say, ‘Look at the one percent, look how much they have, look at the top ten percent.’ My grandfather was never in his life anywhere close to the top one percent or the top ten percent... There are people that want to play on the envy and acquisitiveness of people, and then [they] encourage them to be disruptive, [to] shake everything up... Let’s be thoughtful and try to figure out what are we being told to do through this...”

“I would [also] point to this story that the writer G.K. Chesterton tells. He points to two characters. He calls them Hudge and Gudge. Hudge represents big business; ...the big businessperson thinks they can solve all the world’s problems... by big business. We need food, ...shelter, and ...clothing, so we’re going to have big business solve all these problems. Gudge says... that’s going to make things worse. We need big government. Here’s what Chesterton says: if you look closely, they’re almost always in league with each other. Big business turns to big

government to change the laws in their favor. They all end up criticizing each other, but then secretly, they're all friends with each other... What's going on here? ... Who've we left out? G.K. Chesterton says we've left out Jones, ... [the] ordinary, everyday person. What does this person want? They want to work. They want to have a family. They want to have earnings. They want to see their children do well and their grandchildren do well. So, when... my children and my grandchildren... hear what socialists say, I hope my grandchildren hear what my grandfather tried to teach me. Which is don't be lured in. It's good to have a big heart. It's good to be concerned about the environment; we should care for our common home. We should care for the poor, absolutely, but that doesn't mean that the solution is... [for] people who think they know more than anyone of us, including my grandfather, [to decide] what to do with the material resources that we have [all] been gifted with stewarding. What we need to do is learn to be good stewards, wise stewards, responsible stewards."

Ferguson and Beabout were then asked about using the term capitalist, given that it is a "term of derision... coined by Marx." The questioner put forth the idea of a market economy where in which there are capitalists, who handle the money and the risk, and craftsmen, laborers, and other roles. Thus, when asked if they endorse the use of the word capitalism, Ferguson first responded, "In the book, *Black Liberation Through the Marketplace*, I do not use the term capitalism; I use the term markets. For that reason, and because of the confusion of cronyism... A lot of people are picturing the corruption that [Beabout] just talked about; [they picture] big business and big government together... We free market people are going, 'No, that's the thing we hate.' ... If you go all the way back to Adam Smith... said [that if] you get businesspeople in a room together, they will collude against the consumer, against the public... He knew that... problem could arise, so no, I don't like to use that word... The other thing I just wanted to ... is [that] Marx was thinking in terms of owners and workers, and he's got this notion of class

warfare. Do you know that over fifty percent of Americans own stock? They have 401Ks; they have retirement funds... Think about homes, cars, ...and [other] major means of production ... at the domestic level that we own now. It's... crazy to even think of us as fitting neatly into one class or the other anymore. Many of us are... in the position of being a being owners, of being capitalists in some small sense... It really is a future that Marx didn't anticipate; he thought the owners would get richer and richer [while] the workers would get poorer and poorer... In fact, what happened is [that] the workers got richer and richer. The opposite happened, and that's happening all over the globe. So, [Marx] just ended up being wrong, predictively wrong."

Beabout added, "The difficulty with the word capitalism is [that] it's so slippery... [and] can be used in so many different ways. In 1991, after the fall of communism, Pope John Paul II [asked,] ... 'What's the way forward? Should we all be capitalist now?' And his response was [that] it depends on what we mean by capitalism... If we mean... basically crony capitalism, [then]... absolutely not, ... but if what we mean is markets, free enterprise, ...[the] use of our initiative [and] creativity, ... then absolutely... It's better to describe that as a market system or free enterprise."

Beabout then asked the audience if they had heard his arguments about consumptive acquisitiveness or the environment before, and what their response would be to such concerns. While students had not heard the argument in those terms, they noted the detriments of human greed and overconsumption corresponding to consumptive acquisitiveness as well as concerns about the potential effects of large factories on the environment. Another pointed out the correspondence to Thorstein Veblen and John Galbraith's arguments about capitalism leading to conspicuous consumption.

Beabout answered these responses: "I think those arguments have been around a long time. My main reaction to this... [is] that we can

draw a distinction between consumerism... and capitalism, especially if we understand capitalism as a free enterprise system. There's a difference between markets and marketing. I teach a lot of marketing students, and... the point I try to make [to them] is the same point I try to make with my students who are going to become medical doctors... [and] engineers. Any of these are powerful skills. The very same skill that you use to build a rocket to explore outer space is a skill that can be used to build a missile for an act of terrorism... The skill to heal is also the skill to harm. The skill to market can be a skill to help give people information about how to purchase the goods and services that are crucial for a well-functioning society or to overconsume and participate in consumptive acquisitiveness. Now, how are you going to learn how to use those skills in a mature and responsible manner as a wise steward? I think that's the challenge for us."



Ferguson continued, "We're not utopians... We're not talking about the kingdom of God on earth. We're talking about fallen humanity and planning around the fact that people are sinful, ... so every system will have some vice that it's prone [to]. Some are much worse than others. I think that under socialism, the amount of power that people have makes them murderous, ...so that's a much worse threat. But we should be our own [worst] critics, so in a free society, in which it is easy to fall into those sorts of temptations, ...we should be the most vigilant about those... temptations. ...So, unlike those who would ... say [to] ...love

your stuff and get as much as you want... I say no, ... be extremely reflective. We should... be on our toes when it comes to those sorts of vices."

Beabout added some personal experiences to provide examples of personal application of these principles. He began by discussing Ferguson, Missouri, a suburb of St. Louis: "Rachel [Ferguson] has done a lot of work to encourage people to do business there, go to the store there, go to restaurants there, and bring your money there." He then discussed his daughter who had a wedding reception in St. Louis and her choice of location: "This is actually a good place to have [the wedding,] and it will bring economic resources into a community... I think that's a powerful way to use markets to help all of us in our community participate well together."

Another questioner brought forth that, since scarcity and choices – which have costs – are inevitable, the debate then lies in who makes the choices. He posed the contrast as between individuals making decisions in a capitalist or free market system and a necessary social planner or collective government making choices on everyone's behalf in a socialist system. Ferguson first considered the question: "This... come[s] down to questions of human anthropology, which is why it's actually really good to talk about Christianity and economics... The Judeo-Christian tradition has a very beautiful picture of human anthropology... The facts that we are beings with inherent value and dignity, that we have intelligence... [and] will, and that we may actually have more knowledge about what the best uses of our resources are, is humbling, to go back to [Beabout's] point about humility... [for] the central planner. But I do want to be fair and say that these sorts of large far-flung economies are a little bit abstract, ... so it's hard for people to understand. When you run your household [or] ... business, you decide. You rationally plan who does what, who gets what, what's your produced, [and] where you send it ... You planned that, ... so it's very easy to fall into that mindset when you think about an economy... You think of it... like a household; [where you think] 'let's be the planner'

and ‘let’s decide.’ So, there is a little bit of a counterintuitive nature to economics because we have to fall back and go wait, ... this is a very large, complex economy with too much information for the central planner to grasp... That’s where the humility comes in; the central planner doesn’t have the information the way that I do about my household or... business... That’s where we have to... get something abstract through our minds in order to understand why the knowledge has to be dispersed through the price system, rather than... coming down from the czar of the economy.”

Beabout answered, “My short answer to your question would be yes, that the way you frame that is helpful, but my longer answer would be more nuanced... The more nuanced answer is this: my grandfather learned how to make wise choices from his family, from his sixth-grade education, from his parish, [and] from the Knights of Columbus... We are participants in a lot of communities. The good Lord made us all; we are familial beings. We all have a mom and dad, [for] some of us it’s complex in lots of ways, [but] we all grew up in some kind of family with caregivers that really shaped us and taught us how to be reflective. But we need more than just a family. We’re also a part of political communities, that includes civic life, so learning how to be wise stewards includes family life, civic life, [and] a whole moral cultural sphere.... Debates about the state market binary are not complex enough.”

Furthering Beabout’s point on the need for a conversation beyond the state market binary, Ferguson concluded the debate by pointing out the deeper need for civil society: “I have a short section in the book on civil society. That’s... where the stuff about life that we really love happens, ...the good stuff is in civil society ... This is the thing that I always say to my students: Be an individualist, but don’t be a hyper individualist. Understand that yes, ... we are individuals in the sense that we affirm the dignity and value of the individual and the freedom of the individual, but we are not hyper individuals because we understand that individuals can’t be healthy

outside of family, community, proper civil society. You won’t get healthy individuals if they’re just an island off by themselves.”

Was Jesus a Socialist?

Transcribed by: Ambrose Shaltanis, Senior Editor



“You are probably expecting me to say ‘yes’ or ‘no’ definitively, probably no, and probably expecting me to say He was just the opposite: a capitalist. But in fact, I want to begin by saying “I don’t think it’s fair to call Him either a socialist or a capitalist.” and the reason for that is to do so would limit Him to about a fraction of who He was and why He came and what His message was.” Larry Reed opens his segmented “Was Jesus a Socialist?”, a reference to his book with the same title, with these words. Despite the lack of one of these titles given to Jesus, he is sure to admit that the ethics of capitalism over socialism are certainly exemplified by Jesus. In a fashion similar to many other theological arguments, the inconclusiveness lies within our own terms and connotations rather than with God. The teachings and ethics of Jesus align with the structure of capitalism far more than socialism, but a great deal of the issues surrounding this question depend on how one defines socialism.

How is socialism defined? Some terms that Reed argues are commonly used include “caring, sharing, giving, compassion, equality.” He clarifies that all of these qualities are more prevalent in capitalist countries than socialist countries. Socialism is more than mere intentions. Socialism as a structure seems to be one with good intentions, attempting to provide a better life for men and mankind. Jesus had those same intentions; therefore, the argument that Jesus was a socialist is conceived. Reed adds more to the definition, however, positing that there is one key word which describes the most important facet of socialism’s essence: force. Socialists in power tend to impose their policies depriving citizens of their own right to choose. While capitalists may desire

some of the same outcomes as socialists, they do so by each member’s own free volition, removing the coercion that socialism includes. Again, the theme of the presentation is contrasting the values and ethics of socialism as opposed to capitalism. The primary difference is the means by which each system attempts to restore their respective values.

With this in mind, Reed outlines three objectives that socialists advocate for by means of concentrated power. The first is a more equal distribution of wealth, the second is a government ownership over the means of production, and the final is a central planning of the economy. Reed says that socialists see the absence of government planning as a chaotic system of living. In order to illustrate the impact government intervention has within an economy, Reed shares an event that he personally experienced.

“I remember years ago talking to an audience of high school students for the South Dakota Bankers Association, a farming community. And I said something critical of government subsidies and direction of agriculture, and one of the questions during the Q&A from a student, perhaps from a farm family, was: ‘If the government didn’t subsidize crops, how could we count on things being in the store when we need it?’ In other words, that person saw the absence of directives, mandates, orders, even firing squads and prisons, [leading to the conclusion that] if you leave something to happen, then it will just happen, is kind of what he thought. So, I had to explain to him, I gave him an example. I said, ‘I don’t know much of anything about farming, I don’t know anything about wheat, but if the

government stopped subsidizing wheat, and if you're right, and all the wheat farmers go out of business, what do you think would happen to the price of wheat?' And everybody sensed that it would go through the roof. So, I said, 'There is a price of wheat, I don't know what it is, but there is a price where I would drop what I'm doing and start growing.' That is the market's way of saying that price is what dictates direction, not dictates of politicians, but price."

Using these principles of what socialist's directives are, Reed moves to the central point of his presentation: Would Jesus favor any of those objectives? To this he presents a definitive answer. None of Jesus' teachings support the use of force and government intervention to stabilize the economy. Jesus came to fulfill the law, not to institute regulations on how each civilization is to govern economically. Perhaps not insignificantly, the law does comment on economic order, specifically the Seventh, Ninth and Tenth Commandments, being that one shall not steal or covet his neighbor's possessions. Jesus fulfills all these by keeping them perfectly, not by warping them in order to justify a socialist economic system. "There is no qualification [for the Seventh commandment]. If it is not yours, [this] assumes it must belong to somebody, which is a very pro private property thing to say, which is not very socialistic." In order to further demonstrate this fact, Reed provides more Bible verses including Jesus' actual words to show exactly what Jesus said regarding His ethical views on economics.

Luke 12:13-15: A man approaches Jesus with a distribution request, asking Jesus to settle a dispute with his brother over his inheritance. Jesus rebukes the man for his envy. "Who made me a judge or divider over you?" He says. Reed encourages us to imagine if congressmen today took this point of view and spoke this way concerning their decisions. The lack of force used is implicit within the text.

The Good Samaritan (Luke 10:25-37):
A story where a man of his own free choice and own resources chooses to help the man in need,

not relying on a government program or handout. This again emphasizes the freedom that capitalism brings and the lack of freedom socialism gives.

Parable of the Talents (Matthew 25:14-30):
A man divides his wealth (unequally) between three men, and after a long time, comes back to settle accounts with them. The first two servants used their talents to produce more, being faithful with little, but the last buried his in the field, keeping it until his master returned. The master celebrates the first two, taking the single talent from the last man and giving it to the man with the most. Reed ponders the possibility of Bernie Sanders ever endorsing such an action, despite the man who made more being highly praised in the parable.

Parable of the Workers in the Vineyard (Matthew 20:1-16): A landowner offers tenants of his vineyard a denarius to work all day. As the day lengthens, he offers the same price to other men for working fewer hours. The first men grumble because they worked more, arguing that it is not fair. Reed acknowledges that there is a spiritual meaning to these parables as well, yet that meaning is conveyed apart from socialist undertones. The man in the parable does what he wishes with his own money, providing each man what he promised within their contract, even acting as a commentary on supply and demand.

Mr. Reed offers a few more Biblical passages that socialists use to defend their position that Jesus was one of them. When the rich young ruler confronts Jesus in Matthew 19, Jesus encourages him to sell his possessions. This is to ensure the man has his priorities in order rather than for each person to abandon all material goods. When Jesus helps the poor and commands us to do the same, Reed asks "how do you think He would respond if you said to Him, 'I voted for the politicians who said they would take care of that.'? Do you think He would be impressed?" Reed says that this is not a correct interpretation of Christ's message. "I think Jesus would say, 'I'm more interested in what's in your heart. And you're not telling me you have compassion

in it when you pawned off the responsibility of helping the poor to politicians.’ There is a lot of misunderstanding about His sympathy to the poor, He wanted to see that from you, from your free choice.”



Socialists think that when Jesus chased the money changers from the temple, He was being anti-capitalistic. Reed swiftly counters this claim by showing that Jesus never turned people out of the market. Even though we have reason to believe the money changers were committing fraud in Mark chapter 11, the primary offense is the location and time. Reed likens the money changers’ actions to that of someone playing the kazoo at a funeral. It doesn’t matter how phenomenal of a player he is; a funeral is not the right place or time for the kazoo. Jesus threw them out of the house of God because of the extenuating circumstances surrounding their dishonesty. He is not making a socialist statement in His actions.

Reed again emphasizes the point made earlier with the rich young ruler when he correctly quotes 1 Timothy 6:10, which says “The love of money is the root of all evil,” not that money itself is the root of all evil. The passage is a commentary on having one’s affairs in order. It is not an exhortation for one to abolish all material possessions, but for one to “Keep their eyes on the prize” as he says.

This leads to his final Scripture passage in the book of Acts, which describes when the disciples pooled together their money and possessions. While appearing socialistic at first glance, Reed points out several important

differences in this scenario which keep it wholly separate from the desires of those wishing to impose a socialist state. The first difference harkens back to his primary key word that defines socialism. The disciples took their actions voluntarily, apart from coercion by the state or by use of force. This action was not commanded by Christ, nor by the state. Reed compares this to the pilgrims pooling their wealth at Plymouth, citing Governor Bradford who removed the practice after a few years due to its inefficiency. While the pooling of wealth may be efficacious in certain states of affairs, it is not in every case, nor is it commanded or intended to be.

Reed closes his speech with one final thought, saying that it is very difficult for him to imagine Jesus endorsing an economic system with the track record of socialism. Capitalism has proven to solve more problems in countries than socialism, been more beneficial to governments and created more prosperity for those in need. His last words are these: “Was Jesus a socialist? No. Was He a capitalist? No. Was he sympathetic to the ethics of one system or another? I would say decisively yes, and it’s not socialism.”

A Reflection on Big Government, Capitalism, and Christianity

Transcribed by: Isaiah Mudge, Senior Editor



I want to begin actually with a story about President Reagan. [...] It kind of sets the stage for what I want to talk about in the next few minutes. [...] When I was governor, I would go around to all the different schools once a year. [...] I would go to each of the schools named after our 40th president [and] I would talk a little bit about what he meant to me not just about what he did but personally. [...]

In New Berlin Wisconsin not far from here there's a Ronald Reagan Elementary School, so I come in and talk to these kids. It's a lot of fun, you got the 5th graders at that fun age. They're intrigued but they don't know it all yet. You know, they're still interested. So, it was a perfect time and I'm talking about, you know, more than just on ideas and policies but how [President Reagan] made me proud to be an American again. He gave me optimism. I wasn't much older than they were at the time when Reagan was elected, I was twelve. [...] I'm telling them all these stories and then one of the kids says well tell us some of the policies. [...] So, I'm thinking how do I talk about marginal tax rates to fifth graders alright?

So thankfully, it was not planned; it was literally divine intervention. God gives me this moment of clarity and I said to the kids, "How many kids have ever done chores for your grandparents? You know, done a project [and] helped them out?" And all these kids raise their hand. I said, "So, imagine Grandma and Grandpa invite you over next weekend and they ask you, on a day like today would be perfect, to rake leaves. [...] And as you leave Grandma and Grandpa give you, they count them out, ten bucks, they give you ten dollars. [...] And you get home, and your parents take seven out of ten dollars away.

And literally, one of these fifth graders, totally unplanned, gets up and goes, "That's not fair!" And then this other kid literally put his hands on his hips, and he goes, "Why would I even work?" And my reaction at the time was, "You guys know more about economics than most members of Congress do these days."

So tonight, I want to share not just about how big government is taxing, but I want to tie it into three things. Big governments tax and we'll talk a little bit about that, [but] I want to tie it into how market-based, and stress that, market-based capitalism is so much better than government driven socialism. And how when you truly have market-based, when it's entrepreneurial not empirical, capitalism that actually does far more than any government program can [...] to lift people up and share prosperity. [...] I want to talk about those three things and kind of tie it all together. [...]

Some of you are my age or older and remember, but for others you may not. So, the reason why I used that seven out of 10 was the marginal tax rate at the top end Reagan took office was over 70 percent. Actually, before Kennedy took office it was over 90 percent and so Reagan signed the largest tax cut American history. [...] Eventually it got the top rate down to 28 percent. And if you look from about '82 and '83 on, if you look at the trends not only through the end of his time as president but into Bush's term and even into Bill Clinton's term, it was the longest sustained period of economic growth in American history. [...]

So, Ronald Reagan was bringing in this new sense of American optimism. [...] On the day

Ronald Reagan took the oath, [...] Iran released the hostages that had been held for 444 days, so there's this whole sense of optimism. But it was beyond just that particular moment, it was regulatory reform. [...] The United States Senate took the majority for the first time in decades, but the house was firmly Democrat. A very different kind of Democrats than they are today, they were kind of blue dog Democrats in many regards. Many of them eventually, like Phil Graham, changed parties along the way. But he went out and used the bully pulpit to make the case to the American people about why giving them more of their money back would work, and it worked.

So, I'll give you a couple of examples of that. On the positive side [...] If you give consumers and you give investors more of their money back the research shows overwhelmingly that those dollars are going to turn over much more effectively than if the government does. It just shows that, I mean that the data is out there but even more so it makes sense. It's like those fifth graders, right? Within reason, but you know it's not just a matter of fairness. Hey, I worked hard! I shouldn't have all this taxed away from me. But also, the incentive base, you get to 70, 80, 90 percent. No wonder at some point, just like that kid thought, why would you keep investing? Why would you take more risk? Why would you employ more people? Why would you invest in innovation if the government's going to take it away? [...]

All too often, particularly in Washington, to a lesser degree at other levels, where we see we don't get a very good return on that investment. Particularly areas that we should have them in. I for one think [...] the focus of government should be very narrow: [...] on the things that we cannot do on our own.

You know, and sadly a lot of those areas we see—not so much here although [to a] certain degree in some places—but you certainly see it down the way [in] Chicago. Public safety, that's a fundamental thing. You look at the marketplace, you got people who, members of the City Council, the mayor down there who complained for years

about Walmart. About when to unionize Walmart, do this and that with Walmart. Walmart, like Menards from Wisconsin, and others in the last few years, have left. I talked to John Menard about it earlier this year [and] he said, "We lost \$10 million stores in Chicago because they won't enforce the laws against shoplifting. They won't keep our, not just our customers, they won't keep our employees safe." [...]

If you want to go to Kohl's, if I'm going to go buy a new Jordan Love jersey, you know they're usually sitting in the front, you never buy it at retail, right? It's always on sale. There's always stuff that's on sale at Kohl's. And then on top of that you either get it in the mail or now you can get on your app it's either 15, 20 or 30 percent off. And then if you shop there a lot you get Kohl's cash you take from more off. So, by the time you're done going through all this stuff they're almost paying you to buy the jersey, right? Not quite but close. So why is it? So how does Kohl's make money, and others like them? They make it through volume. You could sell a shirt for the full price and maybe sell a few. Or you lower the price, you broaden the base, and you make money off of volume. That's the simple concept with taxes.

You've got to have enough that's where the Laffer curve is, like where's the sweet spot. You have to have enough to pay for the things government should do, the military, law enforcement, fire service, EMS, things like that. But increasingly, as you creep further and further away from that, you start getting into things where the government doesn't do it the best. They're not the most efficient, they're not the most effective, they're certainly in many cases not the most accountable. [...]

And history shows us this. [...] There's a great book, [...] it's called *Taxes Have Consequences*, [...] came out about a year ago; it goes all the way from 1913 till now. Now I have to point out, our apologies, because before the federal income tax in 1913, you know which was the first state to do it? Wisconsin. 1911. The very first state to have an income tax. But if you

look from 1913 on, talk about a project, they went through and found with the IRS, the federal government found every individual income tax not by name but by code. So they tracked, they have a database of every income tax return filed since 1913, all the way through today. You look at the ebbs and flows, it's amazing. You can see, so it starts out with a handful of people almost literally, starts to go up, goes up, goes up, World War One, big burst of need out there in terms of spending. In 1920 you had Harding elected president; Calvin Coolidge was his vice president.

Shortly after, Harding passes away, but between Harding and Coolidge, because they both initiate the tax cuts, you have massive tax cuts. What happened? They balanced the budget, they improved services, the economy took off and it roared. The Roaring Twenties, remember hearing about that? And to show I'm not partisan, at least in this discussion, you know what screwed it up after that? Hoover! A Republican! You know the Scott Hawley taxes that [were] supposed to be about equity? Totally screwed things up, brought on the Depression, brought on the run of the banks, [...] that wasn't it alone, but it was a driving force. And what it's showing is, you look at times when there's tax cuts whether it was under Harding, Coolidge, years later (again, not being partisan), John F. Kennedy; before he died, [he] pushed massive tax cuts. If Kennedy was alive today, economically, he'd be a conservative. He'd be a conservative Republican. And despite what Lyndon Johnson did, that's what Kennedy wanted, and so they saw it through in '64 after his tragic death. Again, you saw from 90 percent down dramatically. You saw it again 20 years later with Reagan, down. You saw it again under President Trump. Every time you do this, even with the Trump cuts until the pandemic started, you see not only your taxes go down, money goes back into the economy, and what you see is it actually helps people. It improves the economy. Jobs take off, wages go up, household income goes up.

On the flip side of that, when you've seen times where they raise taxes like Hoover did, or like another Republican, you know the vice president for Reagan was a guy named George

Herbert Walker Bush who ran famously on a pledge, "Read my lips: no new taxes," and then you got suckered by the leaders in the Congress into raising taxes. And the guy who was at 91 percent approval rating at the height of the Gulf War lost his reelection a year later in part because he made the bet pledging and more importantly because it screwed the economy up.

James Carville had it right, he told Bill Clinton to run on the slogan "It's the economy, stupid." In this case I'd add to it, "It's the taxes that screwed up the economy, stupid." And that's really what happened because they did this one; and sometimes it takes you a while to figure them out in the luxury cut tax. You know, okay, we're going to stick it to the rich, so they did big taxes on luxury items like yachts, outboard motors, fancy cars, things of that nature. So yeah, some of the wealthy took a hit, but what did most of them do? They went offshore and bought it somewhere else outside the United States. Particularly a yacht, that's not very hard to do. So, who got stuck? Men and women who work at [inaudible] up the way here up in Fond du Lac. The people who make boats all throughout the state of Wisconsin, the people who work on vehicles throughout the Midwest. In fact, that they got so bad, this is a prime example of it, it usually this doesn't happen this quickly. They repealed it, they repealed that tax because not only did it hurt people, but revenues actually dropped. And so, what happens all too often is that the people that, yes, when taxes go up the wealthy take a hit on it, but so do the poor. Conversely, when taxes go down, do the wealthy benefit from that? Yes, but more often than not so do the poor. [...]

So, this is why market based capitalism I think is better than government driven socialism or its cousins, Marxism and socialism. [...] It sounds good if you listen, how many of you heard Bernie Sanders talk about all this free stuff and how we need to have socialism like they do in the Scandinavian countries? Right, every time he says that almost to a time and almost to the exact time, the Danish Prime Minister says, "Excuse me, we don't have a socialist economy." The Danish Prime Minister says, "We have a market-



(Photographer Sarah Rutter)

based economy,” they just have the very socially conscious, aggressive benefits, social benefits. And you can debate about that, but they don’t have a socialist economy because they don’t work, they just fundamentally don’t work. [...]

Look at the old Soviet Union. Why did the Berlin Wall, a slab of which we have in our entryway at the Reagan ranch center, why did that come down? Why was there a fall of communism not only in the Soviet Union but in the eastern bloc, East Germany, the other places out there, why? Because it didn’t work. It didn’t work. Not just the idea of communism, but the economic system didn’t work. Mikhail Gorbachev, who eventually came and actually visited the president, [...] they acted like he was the guy that brought the end of communism. He didn’t do that, he was just the guy at the desk saying, “I don’t have any more money; you better close up.” It’s because the system doesn’t work, it just fundamentally doesn’t work. [...]

If you look today, Venezuela. Daniel de Martino is one of our speakers. He’s a young man in his late twenties, he tells this really powerful story but a lot like Yeonmi Park, he’s

got a powerful story. I won’t give away all the story, but he but he talks about Venezuela. You know less than twenty years ago Venezuela was the second wealthiest country in this hemisphere, second only [to the] United States. Why? They’re blessed with abundant natural resources. What happened? Socialism. Socialism. Today, nine out of ten Venezuelans live in abject poverty. So much so you can literally, physically see it. The average Venezuelan in the last five years has lost about twenty pounds, twenty pounds or more due to malnutrition and sleep deprivation. Because of the problems there the breadlines, the food lines, all the other things on the way, stuff that we remember seeing in the old Soviet Union has happened. [...]

Cuba. Cuba, which has been a problem for decades, [for] more than half a century now. [...] The minimum wage in Cuba before COVID was \$17. Not per hour, not per day, not per week, it was \$17.00 a month. That was the minimum wage. Now, all of your students think about your cell phones. You might not be paying for it right now but let me tell you: your cell phone bill costs more than \$17.00 a month. So even your cell phone wouldn’t be affordable. [...] Remember last year when there were a bunch of protesters, a year and a half ago in

front of the Communist Party in Cuba? [...] They were protesting because, whether you wanted one or not, they couldn't get vaccines. Why? Because health care professionals, they're overwhelmingly trained and then sent out to somewhere else for the government to make money off them, so they have little or nothing when it comes to health care in Cuba. [...]

I was in Guantanamo Bay. To be clear, I was a visitor! I was there actually because we had a whole bunch of our MPs from the 82nd unit here in Wisconsin. [...] There was a marine there who graduated from the University of Wisconsin who took me out on the walk. [...] There's a water gate in the middle that goes out to Guantanamo Bay. You can look across and they'll tell you that the stations across the minefields with the Cubans aren't looking at us, they're looking at Cuba. Wonder why? Because they don't want people to leave. They don't care about us coming in, they're worried about people trying to get out. And this was the most damning thing, the guy told me that right where the water gates are at, years, decades ago, Fidel Castro put a meat packing plant there, right at the end. And so, he would have them push all the remnants when they were done slaughtering whatever the meat was, or whatever the creature was for the meat, into the water. Now think about that, why would they do that? Because the bay then teams with sharks. Why? So Cubans can't swim out of the Bay and try to make the way to the Guantanamo Bay naval base in the United States.

[...] When I was a kid thirty, thirty five years ago, we used to see these rafts sunk almost into the water, completely going over shark infested seas on their way to Florida. Why? Because they were escaping from Cuba, from communism. They weren't coming the other way. You don't hear any stories of people coming the other, they were coming that way. And so that's to me example after example after example of how this just fundamentally doesn't work. [...]

Capitalism has done more—market-based, entrepreneurial, not empirical, not crony capitalism, but true capitalism. The entrepreneurial spirit. It's one of the things, one of the proudest moments I have of my son Matt, who owns a small little digital marketing firm, sells just south of downtown at the edge of the 3rd and 5th ward, was last year. He and I we chat a little bit about his business, and he was concerned about recession coming he said, "I got fifteen people whose families depend on us." And I thought, "Man, you've become a small businessman." Because it's not about how much money you made, it's about service. [...]

Look at the change, so from the time Ronald Reagan took office, early 1980s, at least according to one of the studies, about 42 percent of all the people in the world lived in extreme poverty. By the beginning of the 21st century that had dropped down to about 10 percent. That's still too high, even with the drop since, and obviously the problems of COVID and the pandemic and impact there has had a larger impact on that as well. But it's not more government programs. What we've seen is that the most compelling thing there was. What? A combination of things, it was the fall of the Soviet Union, it was the rise not only in America but around the world of democratic capitalism, market-based and entrepreneurial capitalism. And their re-emergence in the United States as a social [inaudible] in the world that helped elevate that. We empower people to do more for themselves. To me I always think true freedom, prosperity, do not come from the clumsy hand of the government. They come from empowering people to live their own lives and control their own destinies for the dignity of work. [...]



Scott Walker, Erik Ankerberg, Scott Niederjohn (Photographer Sarah Rutter)

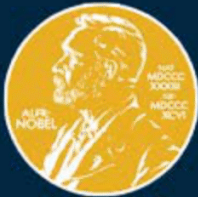
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