

- Lindsey, Brink.** 2002. *Against the Dead Hand: The Uncertain Struggle for Global Capitalism*. New York: John Wiley.
- Richardson, J. David.** 2000. "The WTO and Market-Supportive Regulation: A Way Forward on New Competition, Technological, and Labor Issues." *Federal Reserve Bank of St. Louis Review*. 82, July/August, pp. 115–126.
- \_\_\_\_\_. 2001. "Designing a Market-Enhancing WTO," in Alan M. Rugman and Gavin Boyd, eds., *The World Trade Organization in the New Global Economy: Trade and Investment Issues in the Millenium Round*, pp. 257–274. Northampton, MA: Edward Elgar.
- Sen, Amartya.** 1999. *Development as Freedom*. New York: Anchor/Random House.
- Wolf, Martin.** 2004. *Why Globalisation Works*. New Haven: Yale University Press.

### Two Different Worlds, We Live in Two Different Worlds

William F. Campbell, Professor Emeritus of Economics, Louisiana State University, and Andrew W. Foshee, Professor of Economics, McNeese State University (LA)

The essays in this volume were all written by Christians but they reflect two different worlds. One world is the world of free market capitalism and democratic political institutions. This is the world in which one of the editors, Doug Bandow, lives. He is associated with the Cato Institute and the classical liberal wing of Christian economists and chooses the pro-market writers. The other world (perhaps in more than one sense of that phrase) is that of the editor, David L. Schindler, editor of *Communio*, who chooses the essayists who write largely in opposition to the market. Since we suspect that the pro-market group is more familiar to most of our readers, we will spend more time on the Schindler writers.

This book is very important for the members of the Association of Christian Economists since it reflects disagreements that perennially occur at our meetings and sessions. Although the spectrum of positions is not really quite as wide as the ACE sessions—there are not really any leftists in the bunch—this does not matter. There is a type of Tory socialism which outdoes the Marxists in their hatred of free markets and capitalism. To a certain extent this view characterizes the work of a number of contributors to this volume. But these critics do not share the Marxists' tolerance of capitalism as a necessary stage in the movement to complete modernity by which the Marxists mean the eclipse of God.

This may be the result of the fact that the book is published by the Intercollegiate Studies Institute so perhaps a disclaimer is in order here; one of the authors of this essay is currently on the Board of Trustees of ISI, an organization dedicated to the cause of ordered liberty.

Both poles of order and liberty are well represented in this volume although there are no flat-out libertarians on the pro-market side. Wilhelm Roepke always used to draw the line between extremists of *economism* and *moralism*. There are no defenders of economism, selfishness, and utilitarianism among either group. Both groups would agree with the statement in *Centesimus Annus*, “it is not possible to understand man on the basis of economics alone.” In fact it is clarifying to say that they are contending for the soul of Pope John Paul II.

What, then, are the two different worlds and more importantly how are they related? Can one distinguish between the realm of the sacred and the realm of the secular? The Schindler group doesn’t want the heart to draw a line. If a motivation is not sacred, it is sinful. The lyrics to the love song, “Two Different Worlds,” capture the spirit of the Schindler group:

“Nothing matters if I am yours and you are mine.  
Two different worlds, we live in two different worlds  
For we’ve been told that a love like ours  
Could never be.  
So far apart, they say we’re so far apart  
And that we haven’t the right to change our destiny.  
When will they learn,  
That a heart doesn’t draw a line.”

There is no secular world except the state of sin which must be overcome by Christian faith. Everyday economic exchanges must be read theologically which requires looking at intentions and never outcomes. Perhaps Schindler’s connection to the “John Paul II Institute for Studies on *Marriage and Family*” (our emphasis) signals the fact that the economy must conform to the categories of personal intention. The natural social institutions of marriage and the family are precisely the places where intention matters.

The contribution by Crawford, “The ‘Bourgeois Family’ and the Meaning of Freedom and Community” makes this very explicit. Community and love trump voluntarism of any sort. Both Novak and Morse stress the importance of the family as independent social units not based on calculation and selfishness. But for Crawford the voluntaristic strain of liberalism will inevitably corrupt the family. Even the virtues of

hard work, diligence, and frugality (the Protestant ethic?) which families encourage are oriented toward the market.

The modern world and the modern economy which require a widespread division of labor and impersonal relations cannot be allowed to stand. There are no possible corrections from independent spheres of culture and politics. We are reminded of the hostility of the Southern Agrarian writers of *I'll Take My Stand* to industrial capitalism. The contribution by Wendell Berry, the writer and poet closest to the Agrarians, signals this connection. Unfortunately, his attempt at positive economics—the closest one comes to real economics by the Schindler group—is the most embarrassing. Critics of cultural malaise are usually better poets than economists.

The demand for a unitary approach is also at the base of Lewis' defense of Aristotle. Aristotle resisted "the characteristically modern attempt to compartmentalize life into different spheres" (p. 242). For Aristotle, the promotion of living well or flourishing is the end of the best regime. Modern liberal regimes, on the other hand, take the purposes of the state to be "the establishment of internal peace and defense against external enemies" (p. 247).

Lewis would be correct if the United States, for example, was simply a Hobbesian-Lockean construct. But that overlooks the living reality of American colonial experience, Federalism, and recent history. Frankly, it is the kind of lived reality of American experience that has motivated people like Novak to be favorably disposed toward American realities. However fuzzy the different spheres can be at times, they are closer to the reality than any theoretical unitary scheme supposedly derived from liberalism.

At the very end of his essay, Lewis does attempt to draw the connections between Aristotle and American agrarianism from Jefferson, the Vanderbilt Agrarians and the contemporaries Berry and Victor Davis Hanson. He also is partial to the English Distributism of G. K. Chesterton and Hilaire Belloc. We will look forward to Lewis transforming his "suggestions" into a "framework that could generate useful research and suggestions for just what we can realistically do to build the kind of economic and political life that promotes human flourishing" (p. 269).

Long takes the arguments one step further by declaring that free market economics is really a version of heresy. Drawing on the work of theologian John Milbank, we must be socialists because capitalism derives from the "fideist-nominalist-voluntarist current in theology" of the middle ages, transmitted to Hobbes and Grotius, and is the basis for "possessive individualism." Presumably in agreement Long describes

Milbank's position: "the Christian opposition to capitalism arises solely for theological reasons. The gift God exchanges with creation through Christ must be the basis of all exchanges. Christianity opposes capitalism because the gift can never be reduced to a contract with nicely calculated profit/loss ratios where individuals enter into exchanges without being fundamentally changed by those exchanges" (p. 87). There is a similarity between Long's long-term decline and Richard Weaver's emphasis on nominalism in *Ideas Have Consequences*, another product of the Agrarian critique of modern society. Long might also be surprised (and worried) about the similarity of his view to that of George Gilder in *Wealth and Poverty* where he emphasizes gifts and altruism.

Long also argues that Novak claims "the corporation to be an 'incarnation' of God's presence." Although Long does not wish the corporation to be sanctified or confused with the body of Christ, "it gains its intelligibility within the life of the Church, especially the Church's liturgical performance" (p. 88). A Benedictine monk couldn't say it better.

Long begins his contribution with a tale of two corporations: a comparison between a lobster and shrimp plant off the coast of Honduras and a water meter plant in a small Midwestern town. The injustice of the first is supposed to be self-evident while he is more ambiguous about the second.

There is no question that one would prefer to be an employee of the water meter plant rather than the Honduran lobster and shrimp plant. The conditions of low wages and unremitting hard labor in the underdeveloped part of the world might lead the normal economist to praise the widespread division of labor and wealth of the first world countries. Or, one might be tempted to say, as he sort of does, but not very explicitly, that the wealth of the first world is extracted from the misery of the third world.

What he does not provide is any convincing reason why the Honduran situation is thought to be unjust rather than unfortunate. We agree with Bandow who analyzes Long's contentions later in the book.

Long's "reading" of capitalist exchanges is distorted by his use of a straw man constructed from a tendentious "reading" of Adam Smith. After a long quote from Smith's *Theory of Moral Sentiments* where Smith recalls the ancient stoic view that the "vices and follies of men are as necessary a part of God's providence as their wisdom and virtue," Long states that the economic rationalization of unjust payment of the Honduran workers is simply an acceptance of Smith's stoic theology. With no hope that a just social order will be found in a capitalist system, Long concludes: "If socialism holds forth the possibility that workers can share ownership in

their labor in a non-competitive system in which the interests of owners, shareholders, and workers need not...be pitted against each other, then yes, Christianity must continue to hold forth the possibility of socialism and work for the abolition of capitalism” (p. 101).

Long fails to provide the passage from the *Theory of Moral Sentiments* which immediately follows the one he cites. Smith concludes, “No speculation of this kind, however, how deeply soever it might be rooted in the mind, could diminish our natural abhorrence for vice, whose immediate effects are so destructive, and whose remote ones are too distant to be traced by the imagination.” The question is not whether the Smithian “system” might contain some elements that would be improved by subordinating them to more specifically Christian ideals. It is, instead, whether the *objective* well-being of the Hondurans is more likely to be advanced through the social order for which Long “holds forth” or through one which falls at least roughly within the bounds of the classical liberal position.

There is a curious air of abstract unreality in most of the Schindler group which may derive from the fact that they are theologians rather than economists. Although Long does not flesh out the meaning of his claim historically, we think it is possible to link it up to Gregg’s description of the Middle Ages where the market place is embedded with church and cathedral in the not-so-naked public square. Gregg talks about the merchants and philanthropy, the guild chapels, the market religious festivals, and the patron saints. The church schools taught literacy, accounting, and legal practice which were all necessary for flourishing markets.

But Gregg also recognizes the wild itinerant Franciscan preachers who railed against all forms of commerce and modernity. In Florence in the medieval-Renaissance period the bitter battles between the “observant” and the “conventual” wings of the Franciscans and Dominicans mirror the conflicts between the *communio* group and the Bandow group. The observants demanded a return to absolute poverty, both individually and the total order. The conventuals made their peace with the wealth of the total group even though they still maintained vows of poverty for the individual friar.

There is an irony in all this because the Christian free market defenders have made much of the economic thinking of St. Bernardino of Siena (Franciscan) and St. Antonino of Florence (Dominican) who were Observants and not Conventuals. The reinterpretation of the Scholastic catholic tradition begun by Raymond de Roover, Joseph Schumpeter,

Murray Rothbard, and Alex Chafuen puts a great deal of emphasis on the teaching of these two sensible Saints.

But both these two strict ascetics, St. Bernardino and St. Antonino, understood quite clearly that poverty had to be a voluntary calling and, even then, could be a source of pride. Furthermore, they were opposed to the Spiritual Franciscans, or Fraticelli, who demanded absolute poverty and had an apocalyptic criticism of all worldly activity since the millennium was soon to be on its way. The counterpart to the Spiritual Franciscans in the Dominican order was Savonarola. He was the culmination of the tradition which redefines wealth in terms of spiritual ends alone and links it to the immanent coming of the Kingdom of God on earth.

A radical judgment against the present world as a corrupt, self-interested, corporation driven, and defective individualism/liberalism comes issuing forth from those who believe in the “New Heaven and the New Earth” that is coming or is already here. Schindler tells us that any comparison between systems has to be “compared to the human destiny that Christian faith and indeed the nature of reality itself calls us to embody here and now and on earth, however much that call will be fully realized only eschatologically” (p. 400).

We have a great deal of sympathy with Walker’s attack on the implicit ideologies of liberalism. He wants to get at the welfare economics (ideology) often underlying the defense of the free market. The ideologies of voluntarism and subjectivism enshrined in Pareto-optimality or libertarianism (although he does not attack these groups by name) do need to be seriously questioned when they attempt to become the basis for all social philosophy.

It is true that many defenders of the market such as Novak do play a trump card of a “moral discipline from the outside.” Perhaps the reviewers are guilty of the same charge in their attempt to distinguish “police powers” and substantive due process in the understanding of American constitutional law.

But there is something to be said for the attempt to capture the lived-reality of societies in all their complexities rather than reduce them to an absolutely logical clarity. The stark contrast between the classical liberal understanding of free economic exchange (“contract among self-interested strangers”) and Walker’s (“gift-giving among neighbors”) (p. 23) oversimplifies the classical liberal understanding with the loaded-term *strangers* and introduces untold complexities of implementing or giving content to exchange understood as gift-giving among *neighbors*

(equally loaded if one takes seriously the parable of the Good Samaritan).

We suggest that it would be more productive to take a different approach: one which rejects the “anthropology of *homo economicus*” (an anthropology which we suspect is rejected by all of the contributors to this volume) and accepts Neuhaus’ call to distinguish between “liberalism” and the “liberal tradition.” After all, Walker’s understanding of the objective good for the human person understood as the enjoyment of ontological wealth—“a restful enjoyment [that] is not opposed to productivity, but distinguishes truly fruitful productivity from the frenetic activity of a culture obsessed with quantifiable results” (p. 33)—is not a concept that is entirely foreign to classical liberalism.

A number of the Founding Fathers whose understanding of political economy was heavily influenced by Adam Smith held a similar view. Indeed, the intellectual pedigree of the Southern Agrarians with whom Berry holds so much in common includes men who did not find Adam Smith quite so repugnant. Certainly there is more to be gained through this approach than through one which begins by declaring—as Schindler does, wrongly in our opinion—that “the ‘Smithian’ desire for profit be recognized always and everywhere as a vice indicating a need for conversion, however much it is also simultaneously recognized that this vice will never, in the present condition of the world, be entirely removed from the heart of man” (p. 367).

If true freedom and voluntary exchange have to include the “objective good” for all parties, then one needs to know the social institutions and structures of coercion necessary to bring this all about. Walker wants to avoid the coercion of a communist system, but just how can you do that if he means what he says? If intentions are to be left for the confessional, the internal forum, then all is well and good. But we still need to relate the economy to the social and moral order.

If the free market has no *telos*, as Cavanaugh points out, then the alternative social arrangements must have a *telos* in terms of which choices, exchanges, and everyday life is organized. He is right to point out that often human beings pursue the lower things on the chain of being, a point made poetically by George Herbert’s “The Pulley.”<sup>1</sup>

Cavanaugh would not allow men the chance to become rich and weary; they will be compelled by objective goodness to their supernatural ends. He agrees that state intervention “to impose such a direction on economic activity” would be counterproductive (pp. 127–128), but he has no substantive suggestions other than the Mondragon co-operative as an example of distributist principles.

We are very sympathetic with his attempt to emphasize gift and gratitude as the hallmarks of a Christian understanding of the human condition. Having long worked on developing a political economy of gratitude, albeit unsuccessfully, we are thankful for someone who attempts to flesh out these valuable insights.

Perhaps the most important effort to do something about gifts and gratitude is supplied by some one on the Bandow side of the aisle: Morse's extremely moving article, "Making Room in the Inn: Why the Modern World Needs the Needy." She argues and demonstrates from her own personal experience that "an uplifting vision of free and equal adults making trades among themselves... is not the whole story about the human condition" (p. 181).

The difference between her approach and Schindler's is that she allows an economic system built on economic freedom, and a political system built on democratic principles, to be an important part of the story. She does not throw out the baby with the bath water, but makes appropriate room for the baby, bath water and all.

In her section on redefining the needy as autonomous, she mentions Dr. Spock as one who told us that "good manners come naturally" to infants. Quoting Kay Hymowitz's book *Ready or Not*: "this confirms what the alert reader has begun to suspect, namely, that the world's premier pediatrician, a man whose name is synonymous with childbearing wisdom and experience, *never, ever spent a day with a child*" (p. 496).

Let us conclude with another version of the song, "We Live in Two Different Worlds." This time the song was written by Hank Williams and is not so optimistic about closing the gap between the Kingdom of Man and the Kingdom of God. According to Williams' lyrics:

"We live in two different worlds, dear  
 That's why we're so far apart  
 You made your world out of vows that are broken  
 I built a world in my heart  
 Everyone here tried to warn me  
 You were just playing a game  
 I told them all we were meant for each other  
 I thought our worlds were the same  
 If you stay over in your world  
 Oh, how my poor heart will pine  
 Darling, someday when your memories wander  
 Won't you come over in mine  
 We live in two different worlds, dear

My world is honest and true  
Sweetheart, remember when your world gets lonesome  
I'll still be waiting for you."

In essence, Hank is Jesus Christ waiting for the beloved to come home but he can't force the sinner who breaks vows and plays games to come back against his will. The problem of humanity is humanity, human sin, and one wonders—and one should wonder—how much social institutions can do to change human intentions. But we should also remember what the road to hell is paved with.

### Endnote

1. It reads:

"WHEN God at first made man,  
Having a glasse of blessings standing by;  
Let us (said he) poure on him all we can:  
Let the worlds riches, which dispersed lie,  
Contract into a span.  
So strength first made a way;  
Then beautie flow'd, then wisdom, honour, pleasure:  
When almost all was out, God made a stay,  
Perceiving that alone, of all his treasure,  
Rest in the bottome lay.  
For if I should (said he)  
Bestow this jewell also on my creature,  
He would adore my gifts in stead of me,  
And rest in Nature, not the God of Nature:  
So both should losers be.  
Yet let him keep the rest,  
But keep them with repining restlesnesse:  
Let him be rich and wearie, that at least,  
If goodnesse leade him not, yet wearinesse  
May tesse him to my breast." ■