



## An Economic Worldview The Catholic Church and the Invisible Hand

Everyone has a *worldview*—that is a particular philosophical way of looking at the world and one’s place in it. Nations have them. The same is true of institutions such as churches, universities and corporations. One of the regrettable facts about current events in the United States is the apparent conflict between the worldviews of capitalism and religion that appears as broad as the alleged conflict between science and religion.

### A False Vision

A number of Christian scholars argue that capitalism is not only the enemy of religion but democracy as well. They see this as a cosmic battle between the American family and capitalist greed. The 1987 movie *Wall Street* is partly responsible for this alteration in the historical integration of capitalism and religion. It was actor Michael Douglas’ sinister portrayal of the atypical Gordon Gekko that ruptured the traditional harmony between the two distinct segments of civilized society.

Douglas’ character, who was reputed to have been modeled on the notorious stock manipulator and convicted felon Ivan Boesky, earned lasting fame from his memorable statement *Greed is good*. With the aid of an eager media this epic line quickly became the marching anthem for the Marxists of the 1980s.

Greed, or its more formal names *avarice* and *covetousness*, is one of the *Seven Deadly Sins*. While they date back to Pope Gregory in 590 A. D., it was not until the 13th century that they became part of Catholic tradition. Dante Alighieri made them famous in his *Divine Comedy* by presenting verbal pictures that shocked the human imagination. Those who committed the sin of greed had their hands bound behind their backs and were laid face down on the ground to symbolize their singular focus on temporal earth-bound things.

The 10th Commandment also condemns the coveting of a neighbor’s wife and goods. Similarly, the *Catechism of the Catholic Church* states that *the tenth commandment forbids greed and the desire to amass earthly goods without limit*. (2536). Pope Benedict XVI has condemned greed many times, especially during his trip to Africa, when he spoke of *the greed that corrupts the heart of man*. He warned that everyone must

reject *the false vision of the world that greed presents* because it *distorts creation and destroys the world*. The *Catechism* also qualifies this statement by saying *It is not a violation of this commandment to desire to obtain things that belong to one’s neighbor, provided this is done by just means* (2537).

### Enemies of the State

Greed is a complex, almost enigmatic concept that functions on many levels. According to journalist Lauren Artress, it is greed that has unleashed wars, violence and human destruction on much of the world’s population. In her worldview the entire business world is at fault.

The media and many liberal politicians have expanded this into something called *corporate greed*. According to this view, greedy corporations shamelessly value profit over people. This is a misnomer because greed is an individual sin that can only be committed by real people. Corporations cannot commit it because they are only “legal persons.” They can break the law and be punished by fines or judgments, but they cannot sin. This is the tactic of capitalism’s Marxist critics who think only in terms of collective sin and collective guilt. They want to dictate how individual wealth is distributed and virtually eliminate the freedom of individuals to live the way they choose. This violates man’s free will and is a certain formula for economic and social serfdom. What most Americans fail to understand is that the curtailment of economic liberty easily leads to a curtailment of personal freedom in much the same way that the enhancement of economic liberty may lead to the increase of personal liberty.

Economist Rev. Robert Sirico, President of the Acton Institute, recognizes the importance of personal economic freedom. Writing for the *Heritage Foundation*, he emphasizes that Americans are too quick to dismiss the *economic liberty* that is inherent in capitalism. At one time the degree of animus directed at wealth was determined by the nature and source of one’s income. During the Obama administration those earning over \$250,000 a year have been demonized as *enemies of state*.

### Economic Pillars

Free will and economic liberty are the purview of religion. Religion has historically established the moral benchmark to which human beings can conform their behavior. Religion’s

role in laying the groundwork for economic liberty has been largely ignored.

One of the earliest writers on *economic science* was St. Thomas Aquinas, who shed light on the *rich inheritance of ideas from the Franciscan school of the Middle Ages and late Middle Ages. He attributes a central position for decisive and autonomous contributions to the formulation of ideas like the social value of the market economy, the repaying of debts, the productivity of money, economic value, fair prices, exchange, and discounts.*

To their immense credit the Franciscan theologians did this during a time when the Church relentlessly condemned anything that smelled of money, interest or usury. Again one only need look to Dante to see the clearest rejection of a market-based society. The change in attitude was due largely to these Franciscans. They were immersed in the cities and came in contact with the most vital activities of daily life and the establishment of a mercantile middle class. As a result of their active participation, they were able to integrate the bustling and industrious city life with Christian ethics.

For a vivid literary recreation of this fascinating period in Church history, one can reference English author Ken Follett's 1989 novel, *The Pillars of the Earth*. It is a perfect illustration of the elaborate interdependence between the undying faith of a 12<sup>th</sup> century monk and the building of his cathedral at Kingsbridge. Without the growth of his market place, amid the confusion and interference of the crown, *Prior Philip* would never have had enough money to buy the rocks or pay the wages of his artisans.

### The Fine Print

The attitude of many Catholic bishops and leaders is that there is an obvious conundrum in a world dominated by suffering, crime and premature death amid so much material wealth. The focus of many Americans on advancing their careers, building a home and spending freely on themselves and their families is viewed by some leaders as greed and selfishness. The success of others amid a world of need seems to be a stain on the American soul. This has led to a deep divide between the wealthy, the productive and the growing ranks of the needy and the poor.

According to the Bible, and Jesus' *parable of the talents*, each human being is required to develop his God-given talents to the best of his or her abilities. In a free society these talents are usually generously rewarded. But America's successful executives, entrepreneurs or even its professional athletes do not live in a vacuum. There is a corresponding responsibility for each one to help those who have not been so blessed. That is the fine print in Jesus' parable.

At the recent national prayer breakfast President Obama reminded the American people to *whom much is given, much is expected*. America's businesses and citizens, despite their materialism, are the most generous people in the world. We need only reflect on the history of private groups and organizations in

giving their *time, talent and treasure* during a disaster any place in the world to understand this fact. President Obama was erroneously using a Biblical text as an excuse to raise the taxes of these most generous of people.

### A Mysterious Force

Consider what would happen to the economy if people did not earn large or adequate salaries to spend on material items such as cars, homes and entertainment. There would be millions of unemployed as these industries dried up. Like many European states now, the U. S. government would be forced to care for these people and it would further devastate the federal budget, putting everyone on the threshold of poverty.

Economics works in a free society primarily because of an *enlightened self-interest*. This is essentially what 18<sup>th</sup> century moral philosopher Adam Smith called the *invisible hand*. In his magnum opus, *An Inquiry into the Nature and Causes of the Wealth of Nations*, Smith stated that the *invisible hand* belongs to God, the *designer of nature* as a system in which the individual interests always benefit the community. The *invisible hand* is the force that mysteriously steers the economic decisions of individuals toward a result that leaves all people better off. By following their self-interest, often for self-preservation, men invariably serve God's higher will.

Smith reminded people that *it is not from the benevolence of the butcher, the brewer, or the baker, that consumers expect their dinner, but from their regard to their own self-interest*. Smith's concept fell from grace during the disastrous meltdown on Wall Street in 2008-09. Perhaps the visible hand of government was the culprit.

### A Political Playground

Most historians agree that President Dwight Eisenhower removed the pale cast of his presidency during his *Farewell Address*, when he attacked the *military-industrial complex*. While there was some truth to his criticism, he was only half right. He left out the more important part of the equation, namely the government's key role in fostering this potent union of government and business. Popularly known as *crony capitalism*, this bears a resemblance to the fascist states of the early 20<sup>th</sup> century.

At its best *crony capitalism* is collusion among market investors. At its worst it is a direct violation of one of business's central guiding principles, the *moral hazard*, which means they assume inordinate risks with other people's money because they know government thinks they are *too big to fail*. They assume a high tolerance for risk because they know the government will bail them out. The Obama government recklessly handed out billions of dollars of taxpayers' money to their friends at Goldman Sachs, GE, AIG, and the union bosses at General Motors.

There is a residual cost to these businesses and industries. After doling out its protection and favors, the government expects a kickback of financial support from their corporate cronies, whom they protected from the natural ebb and flow of the market

system. Warren Buffet and dozens of companies swiftly showed their appreciation by returning millions in campaign contributions. In effect Wall Street has become a political playground.

It is not capitalism that the Occupy Wall Street radicals should be protesting, but this hopelessly corrupt form of government-established *corporate cronyism*. They should pitch their tents, not in New York's Zuccotti Park, but in front of the Capitol Building and the White House.

### The Ties that Bind

The Church's social teachings correctly affirm that there must be a relationship between the economy and morality. Most people realize that any economy, without morality and some regulation, especially an economy driven by a free market, would become chaotic. Greed and egoism would take over rather than solidarity, justice and the concern for all peoples, especially the poor.

According to Catholic author Michael Novak, the creative genius of the entrepreneurial class is akin to God's creative activity as it appears in the book of Genesis. He argues that they must dwell in an atmosphere of economic liberty to be successful. As long as they act within the spirit of the Gospels, they should not have to suffer slights from religious leaders who do not approve of the talents and gifts that God has given them.

The free market is an institution of social importance because of its capacity to guarantee effective results in the production of goods and services. When free of excessive regulation, the free market system has worked efficiently for the production and distribution of goods to consumers at home and abroad. It fails only when businesses try to corner the markets through ruthless competition or when excessive government regulations interfere with the natural flow of goods. In United States history the free market dates back to Secretary of State John Hay's 1901 Open Door policy. By contrast, socialism results in leveling the economic output by killing individual incentive and lowering the economic tide for all.

Since the government uses wholesale confiscation of wealth from millions of its citizens each and every day, this begs a question about a correlation between the political economy and morality. Should not politics and politicians be held to the same kind of moral accountability as business leaders? Should they not be accountable for the prudent spending of the wealth of the

American people? Where is the outrage about the government's prodigious waste of this nation's wealth that is a violation of the 7<sup>th</sup> Commandment?

### A Blind Spot

The American Catholic bishops are conflicted by wealth and capitalism. Their close associations with the liberal left of the Democrat party during the Civil Rights era in the 1960s is at the heart of their conflict. The left's rhetorical pandering to the poor and its allocation of trillions of dollars of taxpayer funds to countless programs, most of which are wastefully unproductive, deeply impresses them.

As a result they fail to recognize that *government greed* is more pernicious and destructive of society than the corporations in the country. Their failure to address these issues seems to revolve around their blind spot for the poor. The *preferential option for the poor*, which is relatively new teaching, emanated from the *penumbra* of the Second Vatican Council. They have supped at the federal trough too often and now find themselves enslaved on the government's largesse for the poor.

The bishops seem to lack the foresight and prudence to understand the long-range detriments that these twisted policies of the left have inflicted on the American economy. The bishops fail to realize that government programs are the ties that bind. The problem then is not so much corporate greed but the Leviathan appetite of the federal government.

The bishops also fail to recognize that it is government that has chased religion and religious virtues from the marketplace, making it what the late Father John Neuhaus called the *naked public square*. This elimination of traditional moral values and teachings has permeated all aspects of American culture. The bishops also fail to see the *libido Dominandi* or the *will to power* at work in the smorgasbord of government programs that aim to take care of every American from *cradle to grave*. The recent controversy about birth control and ObamaCare seems to have finally awakened the *sleeping giant of church outrage* at the destructive power of the American Leviathan under president Obama. The faithful need to pray and to firmly oppose the increasing extension of federal power into the religious, social and economic affairs of the American people.



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## 2012 Chicago Conference Highlights

The CMF Chicago Conference on March 10, 2012, was a remarkable success with over 372 persons! The four speakers received ovations and their books quickly sold. Father Brendan Gibson, SJ opened the program with Mass, accompanied by the beautiful Children's Choir of St. John Cantius Church, led by the multi-talented Brother Chad McCoy, added beauty and reverence.



Fr. Brendan Gibson, SJ



Bro. Chad McCoy & the Children's Choir

Keynote speaker, David Limbaugh, spoke on "The Sanctity of Human Life"; Dr. David Noebel's talk was "From Marx to the White House"; Rev. Robert Sirico gave a presentation about "The Moral Adventure of the Free Society"; Professor Ronald Rychlak climaxed the day with his talk on "Soviet Framings of Cardinal Mindszenty, Cardinal Stepinac and Pope Pius XII".

The Evaluation comments on the speakers and the Conference were unfailingly excellent, such as: *well organized...better than ever...speakers were great...learned a lot.*

Special thanks to Board Chairman John O. Shields, who was an outstanding M.C. for the day's Program. Also, thanks to the Conference Committee Chairman Kevin Haney, Co-chairman Mary Ambuul, competent and generous volunteers: Victoria Nelson, Caroline Corley, Deacon James M. Sinacore, Dorie Gruss, and Marian & Richard Kavanagh.



Lean L. Lolli, Motherhood Awardee, Chairman John O. Shields



Gloria Violante, Freedom Awardee

## The Most Important Person on Earth is a Mother

Cardinal Mindszenty's respect for Mothers was deep. Below is the Cardinal's quote on a 5 1/2" x 3" card in color.



The Most Important Person on earth is a mother. She cannot claim the honor of having built Notre Dame Cathedral. She need not. She has built something more magnificent than any cathedral—a dwelling for an immortal soul, the tiny perfection of her baby's body ... The angels have not been blessed with such a grace. They cannot share in God's creative miracle to bring new saints to Heaven. Only a human mother can. Mothers are closer to God the Creator than any

other creature; God joins forces with mothers in performing this act of creation ... What on God's good earth is more glorious than this: to be a mother?

— Joseph Cardinal Mindszenty

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