

Capitalist Morality & the Politics of Socialism

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Contra Mundum, No. 4, Summer 1992

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In a recent article in *The Freeman*, appeals court judge Alex Kozinski ruefully expressed his misgivings that, despite the enormous changes that have lately come about in the formerly communist lands of Eastern Europe and the Soviet Union, “the dark lessons of Utopia” do not seem to have made an impression on the minds of the molders of political culture in the West. His comment touches the heart of the matter:

Events in Eastern Europe over the last few years should prove an embarrassment to many. People in this country should be reconsidering their fundamental assumptions about what government can and should do, and what it should not. Surprisingly, this has not happened. Government at all levels grows bigger and more powerful; it absorbs more of our productive resources than ever before; and its involvement in our daily lives increases unabated. Even as the peoples of Eastern Europe strive to establish free market economies, implement private property rights, and diminish the role of government, the United States continues on a path in the opposite direction.¹

For at least the past sixty years, opinion-makers, intellectuals and various members of the secular intelligentsia have conspired to deny that socialism has been the direction in which the makers of political culture have sought to lead Western civilization, the United States included. Even though government today dominates every facet of life and society, and reaches deeply, even perversely, into the pockets of its citizens, there has been a persistent refusal by politicians, pundits, interest groups and the media to call this enormous growth in government “socialism”. It is a deception made easier by the fact that in a democracy, where the people are supposedly free to chose the government they want, such huge increases in government costs and controls are readily explained as the results of the wishes of the governed. And clearly, people elect their government representatives and choose their leaders precisely in order to create or enlarge the services of government because they perceive that the benefits to be gained by doing so outweigh any burdens

¹ Alex Kozinski, *The Freeman*, Vol. 42, No. 2 (February 1992) p. 58. An earlier version of this article appeared in *The University of Chicago Law Review*, Vol. 58 (Spring 1992).

that might negatively result. Today, few might be willing to admit that what we are experiencing as the outcome is something called “creeping socialism”.

Yet, it is true. The only difference, it would seem, between what was the practice in the erstwhile East Block countries and that which is occurring at present in the West is the method by which socialist policies were, and are being, implemented. In the former, socialism was swept massively into place on the winds of political revolution, whereas here it is slowly, but ineluctably, being achieved through the ballot box. In spite of the collapse of socialism in the East, the vast majority in the West has not so much as stopped to consider that, whether it comes suddenly or gradually, the collectivist society spells the death of civilization; that, in other words, what happened there, will happen here. With unabated ambition, says Kozinski, “we consistently elect officials whose instinct is to solve our problems through government programs.”² The thought is ignored or derided that those who look to government to make life a paradise on earth are socialist in their outlook. Now that another election season is upon us, does anyone of those who fawningly aspire to office offer us anything but the promise of more government solutions for every imaginable problem? Do the people who elect them not do so in the expectation that moe government is the answer to out problems? Could anyone even get elected without bribing the electorate with “government” (taxpayer's money) largesse? Either directly, through taxation, or indirectly, through heavy-handed regulation?

The important question that ought chiefly to concern us is not whether socialism is practical or workable—it is not—but whether it is moral. That is, does it conform to Christian morality? Should Christians even give partial support to welfare state politics? If not, the only alternative is capitalism! It is one or the other: no “third” Christian option exists, despite what some of the elites in the halls of academe may say. It is necessary, then, to reflect on some of the main differences between capitalism and socialism (regardless of the 57 varieties by which it is named).

Aspects of Capitalist and Socialist Economics

The difference between capitalism and socialism is more than just an economic variance: they stand for entirely distinct cultural and civilizational values. They diverge widely over the nature and goals of individual and social behavior. They rest on contrasting ethical assumptions. Their differences in this respect are so great as to disallow for any possible synthesis or mixture. But even so, the differences emerge most sharply precisely over matters that concern economics. Consequently, it is here that we must begin.

Socialism in the twentieth century has bewitched many with the elixir of promises. Vast multitudes have been taught to believe that government is the chief means by which they may prosper and achieve economic success. In order to justify this faith it is necessary to harangue with consistent abuse the oppose system of capitalism. This criticism of capitalism loads it with every conceivable fault: poverty, injustice, unemployment,

² Kozinski, p. 59.

inflation, rape of the environment, and more, the abolition of which is assured under socialism and all forms of state control of the economy. With an animosity that invariably emanates from the agencies of knowledge and information, "...the general public is taught to see the disadvantages of capitalism but rarely the advantages".³ This present attitude is such that even if at times they grudgingly admit capitalism to be a superior instrument for general productivity and greater prosperity, nevertheless, it is an immoral system because it only makes some people rich at the expense of making others poor. It does not distribute wealth equitably; the state would do a better job. That the state control would not only reduce productivity and thereby living standards, but would destroy them completely as the former communist countries will verify, they conveniently disregard. It is the steadfast refusal to reckon with this truth that helps to keep faith in socialism alive—this, despite the fact that while socialism is "always impressive in its promises [it is] everywhere disappointing in its performance".⁴

A second feature of socialism (in all its forms), besides the delusion of its promises, is the enticement of its power. "Public power' was the original inspiration of socialism: the notion that men or women with political power...would use it for the common good."⁵ Government is a vast agency of power. To tap this resource of power is a fatal attraction. To lay hold of this power requires elevating politics to the central preoccupation of life. It takes special talent, not to mention time and resources, to practice this craft. The realm of politics is one of hustle and manipulation. It requires skill in public persuasion, group organization, debate, lobbying, and, above all, consummate expertise in maneuvering secretly from the public scrutiny. It is a contest in which one seeks not to advocate ideas but deftly to conjure "interests"; which sees in politics merely the power to sway benefits in one's direction. Its end result is to distort government "in favor of the politically influential, skilled and adroit; its nominally representative assemblies reflect the influence of the organized at the expense of the unorganized..."⁶ No more than its spurious criticism of capitalism does it increase the general prosperity; rather, it merely skews wealth in favor of those who possess political power. Those who lack the power of government are at the mercy of those who control it. This sketch of the moral and economic differences between capitalism and socialism only becomes fully apparent in three related areas: property, the market, and welfare.

1. Property

Nothing distinguishes the ethical differences, nor defines the characteristic mind-set between capitalism and socialism quite as much as the idea of property and the moral legitimacy of ownership. However, it is something of an oversimplification to suggest that capitalism believes in property and accepts its legitimacy, whereas socialism does not. Both assume the existence of some type of property, as well as an ownership relationship to it. Their differences center on the way each views property and the nature

3 Arthur Seldon, *Capitalism*, (Cambridge, Mass.: Basil Balckwell, 1990) pp. 8 & 14.

4 Seldon, p. 2.

5 Seldon, p. 105.

6 Seldon, p. 103.

of its ownership.

Both in terms of the promises it offers and the power it seeks to wield, the socialist idea rests at bottom on its own moral conception of property ownership. Essentially, it has been the goal of socialism, at all times and in all its forms, to suppress or eliminate property ownership in 'private' hands; to transfer all property from private to "public" ownership. All uses of governmental power are focused on this goal. To insure compliance, socialist propaganda captiously asserts that to leave property ownership in private hands only guarantees injustice, inequity, unfairness: the multitudes would be reduced to starvation and degradation, while the owners of property would hoard all the wealth of society into their own greedy pockets. Instead, it "promises" that "public" ownership will safeguard justice, equity, etc.—wealth enough for all and evenly distributed.

In the seventy years of communism in the East we have been permitted to witness the merits of this experiment in "public" ownership, and have seen its utter falsehood. It seems, however, that we in the West have not learned that "creeping socialism" is leading us in the same direction. We are easily revolted by the obvious brutality of communist totalitarianism, but are unwilling to admit that greater state controls here are being achieved by less overt means than brute force. In the West, because of our Christian heritage and belief in private property, it has been more difficult for socialist engineers to reach the goal of complete "public" ownership directly. Instead they have had to adopt a more indirect method, one that is more sinister for the reason that it is less objectionable to a society that believes social conflicts are best settled by recourse to legal means rather than naked force. The socialist in the West, then, who hates the very idea of private property, cleverly resorts to the instrumentality of law, greatly to restrain the uses of, if not to abolish completely, private property. He makes use of the tactic of "legal" encroachment over private property under the guise of controlling its use for the sake of an alleged greater "public" good. Since use is determined by ownership, public ownership is indirectly acquired by a gradual but persistent extension of the legal control over its use. And the transfer of ownership from private to public hands in the West by this disingenuous device exhibits all the signs of producing the same results as occurred in the East, with perhaps less outright violence, but with no less capricious high-handedness.

Ownership expresses a moral relationship. Most secular thinkers, whether from the right or the left, have wanted to view the ownership of property merely in utilitarian terms, as a useful instrument for the procurement of material satisfaction and the elimination of distress and indigence, and nothing more. It is needed because it has proven to be the best method, the most workable technique, for the achievement of these goals. Usefulness determines necessity. Further, some, perhaps most, humanists' minds much prefer ownership to be private in nature if it is to be at all effective for this purpose. Their claim stems from having historically (i.e., empirically) observed the two types of ownership mentioned and what has been their outcome. Systems of "private" ownership, in matters of wealth creation, far outperform systems of "public" ownership. All this is true, but it tends to obscure the moral component of their differences. It is only a Christian

explanation that can do full justice to the truth in this matter.

The idea that men should have ownership of anything is rooted in the question of who has ultimate authority to define and delimit that ownership. The question of ultimate authority is merely an aspect to the question who possesses ultimate ownership? To own anything is to have decisive authority over its use. This is the crux of economics; for, as Gary North comments, “a fundamental problem for economic theory [is] the establishment of a point of originating (and therefore final) ownership.”⁷ If man has ownership of anything, by what authority has he acquired it? The Biblical view is that God is the ultimate owner, and therefore authority, over the earth and its occupants. “The earth is the Lord's, and everything in it, the world, and all who live in it” (Psalms 24:1). It also explains that God created man in His own image. This means that man is to be like God in his relationship to the earth; that is, he is to be like god in his relationship to the earth; that is, he is to exercise an ownership responsibility with respect to the earth. Man's ownership, however, is derivative and stands in subjection to the ultimate owner. Man is given authority to own, but his authority is subservient to God's authority in his use of the earth and its fruits. Moreover, on the social level, the family is to be the true possessor of property; which means that ownership, if it is to be morally sound, must be in 'private' hands. Even within families, individuals have distinct possession of things to the exclusion of others. The prohibitions in God's law of theft and coveting would make little sense without ownership being “private”. There is no provision in Scripture, however, for 'public' ownership of anything; certainly not in the sense understood by the socialist minds of today. Attempts to create a realm of “public” ownership, whether by force or legal chicanery, are immoral regardless of whether it is impractical or not.

Still, the practical question is not at all insignificant. Only people with real, tangible ownership of private property will use it productively, because they have a direct incentive to do so. A real economic value always accrues to definable property and hence the owner of property. People who are prevented from reaping the benefits of the property they own will not invest in its productivity. It is an specious assumption that a person will be productive from purely selfless motives. To transfer property from “private” ownership to “public” ownership is simply to divest the concept of ownership of any tangible, specific meaning.

The differences between capitalism and socialism are apparent on the question of the ownership of property. “Capitalism in principle maximizes the scope for private property; socialism maximizes the scope for public or nominally common property.”⁸ The results of this difference are also clear. In capitalism the owner of property is identifiable, and can be held responsible for the use of it. In socialism it is said that property belongs to “the people”, an anonymous and unrecognizable group. In reality, the use of such “property” is decided by officials and bureaucrats. The responsibility for its use by such “nominal” owners is vastly attenuated. If, in theory, something belongs to everyone, in practice it

7 Gary North, *Moses and Pharaoh: Dominion Religion versus Power Religion* (Tyler, Texas: Institute for Christian Economics, 1985), p. 120.

8 Seldon, p. 149.

belongs to no-one. And its use by anyone will be at the behest of the government power-holders. Without a clear recognition of the owner it comes impossible to assign responsibility. Officials and bureaucrats can easily escape accountability. And if found out, often they can use their official powers and resources to defend themselves against complaints or even prosecution. In the matter of property ownership the promises of socialism amount to waste and fraud.

2. Market

Any discussion of property ownership, as it concerns matters of economics, leads directly to the idea of the market place. Because of sin and the Fall of man, a scarcity of readily usable economic goods is the most basic fact of life. In other words, poverty is the norm and wealth the abnorm. If man is to meet the basic needs of life he must produce them. This factor of the “curse on the ground” subjects the labors of man to extreme hardship and continuous exertions, and threatens the work of his hands with the risk of failure or spoliation. Further, if man is to rise above mere hand-to-mouth existence he must learn to satisfy many needs at one time. Since no single person possesses the ability, let alone the time or energy, to produce everything he needs for himself, he has had to learn to produce a few things and to trade a part of the fruits of his labor with another who has produced a different item. Eventually, large numbers of people found it convenient to bring their products to market, there to exchange them for other people's products. At the same time, the concept of a medium of exchange developed in order to facilitate this activity. Products in the market were viewed from the standpoint of a money price. By this means civilization was made possible.

Capitalism is simply another name for this concept of the market place. Through the use of money in the process of market exchange men learned to hold economic value in reserve and to produce for the long term. This has had the effect of enabling man to rise above the level of mere indigence and of having to consume immediately either what he produced or traded to acquire. It has enabled wealth to grow at compound rates. Such growth follows both a vertical and horizontal path. That is, it increases for the producers of wealth and it also increases the number of wealth producers. Eventually a single producer no longer knows for whom he creates economic value; he simply manufactures for the market. This leads to a situation in which 'market price' forms the only indicator both for those who produce and those who consume the product. Success in the market depends on the ability of the producers to evaluate information about prices in order to know whether it is advantageous to produce a certain amount of a given product or even to produce that product at all. Knowledge, provided by prices, becomes the key to a market economy.

The knowledge that any single actor possesses in the market place will always be tentative and imperfect, because the consumers of products cannot always be counted on to provide exact information in this respect. People habitually change their minds about

what they desire or wish to acquire. They do so for reasons that are beyond anybody's⁹ ability to understand perfectly. Further, certain products, by reason of natural scarcity, are quickly consumed and exhausted. Hence prices for some things fluctuate rapidly. All this generates a situation in which the amount of information that anyone may expect to control in any overall sense is simply beyond any single person's ability. It is this factor that, more than anything, deeply disturbs the socialist mind. To him the market is simply chaos at best. At worst, it encourages a disproportion between the wealth of some and the wealth of others. He cannot understand that wealth production is often the result of one producer having read correctly the information about prices that tell him what people wish to consume and therefore having provided the product more successfully than others who might have competed with him to supply it as well. He immediately assumes that if one person has accumulated wealth then he must have impoverished some one else to do so. To the socialist mind prices are not indicators of information; rather, they signify greed and impoverishment. What the socialist cannot tolerate is the inability to control market information, so as to coerce the market to serve some rapturous vision for society in general.

Socialist minds in the West have learned a convenient method for dissimulating the truth regarding the alleged irrationalism of the market place. Since their goal is to reduce all activity to political control, they constantly make appeals to extra-economic criteria in order to reach the objective of complete dominance of the market for political purposes. By a deft manipulation of statistics and studies, and other supposed "information" more reliable than prices, they pander to the "national interest" as a psychological ploy. Thus, for example, we are consistently fed the line that "American jobs", or "American industrial competitiveness" are being undermined by some foreigner who cheats in order to win in "our" markets. It is hoped that this argument will convince the mass of voters to elect officials who will erect a political monopoly over economic behavior. The claim that the "national interest" is at stake, unless the state step in and seize the direction of the economy, has proven to be a deceptive device for getting political authority for central planning and domination of the market.

Consequently, because the socialist is always geared to view the economy from the "macro" or "national" perspective, he is incapable of understanding that real economic changes take place on the "micro" or "marginal" level. At least that is where real economic activity originates. At that level people are faced with continuous changes and the need to adjust to them. These things happen daily, sometimes hourly, in thousands of different ways and places. Often such modifications are incremental, but over time they bring about larger consequences. Eventually, they force changes at the "macro" level. However, alterations at this level simply reflect the long worked-out effects of changes over time at the less visible "micro" stage. But to the static mind of the socialist any variation at the "national level" presents a pretext to insert government direction into the

9 "Anybody" means "anybody other than the one who chooses and acts." I do not fully comprehend your motives and choices just as you do not understand mine. Even so, no individual fully grasps his own motives and choices; for economics, like life in general, issues from the heart, and only God possesses full knowledge of the human heart.

economy. Changes there must only be permitted under the omniscient guidance of the central planners, not as a consequence of uncontrolled economic forces that have gradually worked themselves through the social system. If the world looks to be imperfect on the larger screen, it is attributable, reasons the resolute socialist, to “market failure”. But the market does not fail, it merely undergoes changes in which some, to be sure, who, because they read market information incorrectly, did fail; but others succeed. Such distinctions are not absolute, but relative, and occur regularly.

To the political mind, or even the economic specialist, the market is looked at as, what Wilhelm Roepke termed, a “technique”. It is merely one particular type among many for the engineering of economic well-being. And as a “technique” it is not an especially useful one unless it is tempered by government specialists and experts. To this sort of mentality: an “economic technique...is applicable in any kind of society and in any kind of spiritual and social climate.”¹⁰ In other words, the moral framework of the people is irrelevant to the workings of a healthy economy. Such thinking naturally dismisses the fundamental moral significance of “ownership”. Without ownership of property in private hands, free from the encumbrance of heavy-handed political regulation, no market can exist in any true sense of the word. A market economy, however, is defined by a certain philosophy of life and conduct, a distinct social and moral order, and is not simply a technique. There is far more to its meaning than merely “material” success. Although the market is economically more efficient than socialist command economies, it is not simply as a superior method of material enhancement that it is to be desired: it is beneficial because in the first place it fosters moral maturity and discipline among those who act in terms of it. This is not to suggest that the market creates these moral obligations and requirements of itself. “Market and competition are far from generating their moral prerequisites autonomously.”¹¹ But it does teach discipline in the light of them. In truth, men must be self-disciplined to act in a market economy. However, such self-control is unavailable unless men are disciplined under God and His ethical stipulations. Only with the triumph of Christianity is a market economy possible. One easily understands why socialists abhor Christian morality. It stands in the way of their goal of a politically centralized society.

3. Welfare

From the moral foundation of property ownership to the market, which reflects the need to trade the productivity of one's property with another in order to satisfy economic requirements, we arrive at the final destination—welfare. The three concepts are tied together, in the socialist mind as well as in the capitalist's. Capitalism asserts that the ownership of property in private hands, exchanged in the market place in accordance with the mechanism of prices, leads to a state of affairs in which most people's 'welfare' is vastly improved given that utter penury is the natural state of man in a fallen world. The nature of such a claim does not imply that life will be transformed into utopia, or that men

10 Wilhelm Roepke, *A Humane Economy: The Social Framework of the Free Market* (South Bend: Gateway Editions, Ltd.) p. 93.

11 Roepke, p. 126.

will not sin by stealing, cheating, or in other ways defrauding one another. Nor does it suggest that there will be no poverty, hardship, or inequity. It merely insists that, in general, and to a remarkable degree, the quality of life of greater numbers of people will be enhanced, and the burden of natural impecuniosity lifted to a considerable extent. Once these basic necessities of life have been alleviated and removed from constant attention it becomes possible to occupy oneself with those things that enrich life and build civilization.

Socialists claim—and here are the “promises” that characterize the outlook of socialism—that it is not capitalism, as we have just explained it, that can bring about the augmentation of the welfare of man, but just its opposite, viz. socialism. It is only when property in private hands is either removed or severely restricted, and only if the market is controlled by central planners and government officials and not left to the vicissitudes of prices, that the welfare of greater numbers of people is guaranteed. Once again, to convince the gullible, they contrive the argument to give their program the appearance of moral justification. Without the political dominance of people's lives, certainly when it involves economics, the many will be at the mercy of the few. Without government direction of every aspect of people's behavior massive “injustices” will engulf society. By means of the use of government power, then, is the economic well-being of every one assured. These 'promises' might have some claim to validity if history could provide us an example of their successful implementation. So far, history has proven them to be utterly false, as our reference again to Eastern Europe demonstrates.

A convenient argument in the socialist arsenal is one that treats the question of welfare in the political language of “rights”. As mentioned, outright socialism has had difficulty taking hold in the West. But to conjure society in that direction the “welfare state” has been invented. The concept of welfare that lies at the base of the welfare state ideas has come to rest on a modern demagogic assumption that all men have the right to enjoy 'freedom from want', and that the state alone can satisfy the requirements of this 'freedom'. Where such a right originated is any one's guess, but it really only matters to the extent that it compresses questions of economics into a political mold, where the socialist mind gravitates with unhesitating alacrity. The moral and social consequences are becoming increasingly apparent.

In order to realize the dream of “freedom from want” by means of state welfare, the government, through the system of taxation, must siphon the resources from those who produce the wealth to begin with. It must then dispense these “takings” with condescending beneficence. However, having defined access to these benefits as a “right” it is virtually impossible to remove such generosity once it is given. This becomes a permanent feature of state control, and one that merely invites politicians to scramble for more and more as their professional lives depend on it. For, once an interest is created by government largesse, elected officials cannot remove that largesse without jeopardizing their political careers. And the creation of benefits for one interest merely stimulates the desire on the part of other interests for the same treatment. “Money supplied 'free' by government increases the number of people who can make themselves eligible by

working less than they otherwise would, by not working at all or by acquiring dependents.”¹² Government welfare becomes a disincentive to work and an attraction to those for whom responsible independence is morally revolting. By living free off government, the penalties for irresponsible behavior are considerably removed. If there is no “cost” (no price mechanism) for one's action to signal that that action is counterproductive than the responsibility factor will be morally skewed. One of the immensely important elements of capitalism is that it is a system that appropriately rewards responsible and irresponsible behavior. But socialist welfarism conveys the message that neither poverty nor wealth has any corresponding connection to the moral condition and actions of people. If people have the right to be free from want, and the satisfaction of such a right is a government obligation regardless of any other moral consideration, there is no reason to conclude that one should be compelled to behave in such a way as to receive the benefits of such a right or forfeit it if not. A right is a right, regardless!

It is a feature of the socialist mind to take the existence of wealth for granted and to assume that the problem is one of insuring an equitable distribution of it. To advance the cause of the welfare state as the apparatus of political control in this respect, the socialist mind insinuates that capitalism is just another word for 'selfishness', and that, secondly, because all wealth is legitimately the “wealth of society”, and every member is deserving of an equal share, it is the moral duty of government to redistribute wealth from those who have more than they deserve to those who deserve to have more, regardless of the contribution they make towards its creation.

In response to the tendentious assertion that capitalism equals selfishness, it must be remarked that genuine “self-interest” is not only a legitimate motivation, but that attempts to suppress its lawful expression are not only counterproductive but pernicious in the extreme. But even if 'self-interest' is the starting-point of capitalist behavior, it is not true capitalism if it ends there, for capitalism is the only economic system that puts the consumer's interest above that of the producer. To allege otherwise is to confuse capitalism with all other systems—feudalism, mercantilism, syndicalism, corporativism, municipal socialism or state socialism.¹³ These latter systems, because they rest upon the interest of the producer at the expense of the consumer, stand closer to the epithet 'selfishness'. Furthermore, they are only possible when government protection is offered to the producers of goods and services. Without the backing of government the self-interest of the producer is compelled to consider the self-interest of the consumer. The former must win the latter's favor by producing things they want to consume, in the amount they wish to consume them, and at a price they would be willing to acquire the product. This trade-off in legitimate self-interest has proven to be the only engine of wealth creation and distribution.

But, in the second place, self-interest is just as much a feature of socialist systems as it is

12 Seldon, p. 137.

13 Seldon, p. 205.

of capitalism. However, their results are not the same. For the notion that government always serves the interest of the people is a misleading one. Politicians who wish to exercise the powers of government can be counted on to do so in such a way that best serves their own interest—that interest is getting reelected and holding on to power. When they hand out benefits to people it will only be in a manner that guarantees that result. Far from benefiting “the people”, the distribution of largesse will only go to those specific groups who retain a sufficient political interest in the officeholders who can exert the power to swing benefits in their direction, regardless of the harm it does to others. Here is true “selfishness” at work. To claim, then, that the primary aim of modern state welfarism has anything to do with the older notion of charity and helping one’s less fortunate neighbor is false. Rather, guided by the ideal of a social revolution, it aims at the greatest equalization of wealth, income, status, etc... “The dominating motive is no longer compassion but envy.”¹⁴ It is the moral legitimization of envy that helps promote the politics of socialism. Prompted by it, people eagerly confer on government extensive powers and obligations to redistribute wealth from the rich to the poor. By this means, large numbers of people hope to realize aspirations without accomplishment, economic security without accountability, and the benefits of productivity without the burdens of choices and hard decisions. They must be prepared to have their lives regimented in accordance with other people’s wishes and the fruits of their industry confiscated with a boundless regularity, not to mention an arbitrary recklessness.

The Ethics of Civil Order

It is vulgarly imagined, and incessantly averred, by socialists of all persuasions, that capitalism represents the absence or debasement of civil order and justice. They regularly denigrate the supposedly naive capitalism claim that government is per se evil and should be abolished; that capitalism equals libertarianism and rests on the absurd moral notion that men are basically good and therefore no organized social force is needed to check or compel the behavior of men whatsoever. By this line of argument socialists endeavor to persuade people that capitalism would simply operate on the basis organized brigandage, that the many economically weak would live in enslavement to a handful of barons of wealth and industry. Without strong government every conceivable injustice would be carried out without hindrance. Not only is government necessary to check inequities, they maintain, but a highly centralized and extensive system of command is the only means to insure fairness and equality for everyone. Government should not only prevent or redress grievances, it should function in such a way as to decide not only who gets to produce the wealth and by what means, but who and how much each individual in society should be entitled to receive. Only then will each receive his “rightful” share.

However, true capitalism does not deny the necessity of a civil order based upon legitimate government. And far from imagining men to be naturally good, capitalists take just the opposite view. Indeed, capitalism is a system of order that recognizes the innate “sinfulness” of man and consequently his propensity to do harm to his neighbor for

14 Seldon, p. 156.

purposes of self-aggrandizement. In fact, it knows full well that without a system of social justice and police powers to support it capitalism would not even be possible. For at the very root of capitalism is the belief in the ownership of property in “private” hands which implies strict distinctions between “mine” and “thine” and consequently the need to erect a social system that delimits the uses one can make of his property so that it does not infringe the uses or enjoyments that others expect to have in their property. But what distinguishes capitalism from all brands of socialism is the way in which each conceives the nature of civil order and how it should function and for what purposes.

In general, the difference between capitalism and socialism is the difference between a civil society defined as a “rule-articulated association” and one that is based upon “orders, commands, behests, injunctions, directives, or mere prohibitions”¹⁵ as these are enjoined by some overriding political authority. In other words, capitalism looks to the rule of law as the grounds of authority and the standard of responsible behavior, whereas socialism wants to direct all of society in accordance with the wishes of power-holders and elites who, by means of a comprehensive blueprint that only they devise, will regulate each person's behavior in accordance with their discretionary wisdom. It is based on the assumption that government central-planners will instinctively know better than the people themselves what is for their own good and who will nobly coordinate every member of society's actions positively to vouchsafe that the outcomes will be equitable and fair. The difference, then, between capitalism and socialism is the difference between a rules-delimiting and a command-prescribing social conduct. The former permits a people the freedom to act as they wish and to achieve the results to which they aspire so long as they act according to the rules. In this case “...rules assert norms of conduct, they do not determine or forecast what will be said or done.”¹⁶ But the latter says the people must act only as they are told by central-planners to act, and that it is for the “good of society” in general that they must all be constrained to act.

In capitalism there is no predetermined, all-encompassing social plan that exists to direct and coordinate each person's conduct and pursuits. At least, there is no such scheme as this is thought to derive from the genius of bureaucrats and governmental agents. But this does not mean that capitalism represents sheer disorganization. On the contrary, in capitalism social organization is highly coordinated and operates on the basis, not of discretionary will which looks to desired outcomes, but of known and recognizable law that merely prescribes the conditions in which all types of behavior are to be carried out. Here law works like rules do in sporting competition—they simply fix how the game is to be played so that each team has a fair chance of success, and do not specify what particular actions or strategies each team may adopt in the effort to best its opponent. Rules are not devices for engineering the outcome of the game, i.e., for deciding from the outset who gets to win or lose. In a sense, each team or player plans for himself by using the appropriate talents and corresponding tactics as it is deemed necessary. But certain actions violate the rules of the game because they give one person/team or the other an unfair, because unexpected, advantage—an advantage based not upon personal skill and

15 Michael Oakeshott, *On Human Conduct* (Oxford: Clarendon Press, 1975), p. 124.

16 Oakeshott, p. 126.

training, but upon perfidy and dishonesty.

The same is true in civil associations. Here the rules do not serve to promote something called the “interests of society”. Such an “interest” is beyond any particular person's ability to know with certainty. What is of concern to one person is vastly different from what interests another. One can only satisfy his own interest by means of a trade-off with someone else. People must learn to make exchanges, and the best means to realize such transactions occur only within the framework of specified rules. Socialists who think that government planners can direct such operations must assume that such officials are omniscient and omnicompetent in the matter of what will perfectly satisfy each individual person's interest. And to claim to understand what will satisfy the “interests of society” is nothing more than a deceptive tool for politicians to provide benefits for particular groups in society. What is more, to pretend to use and manipulate the legal system in order to achieve the same design, as it is practiced in the West, is, in reality, to distort the meaning of law. It is to sever law from its moral foundation and to transform it into a pragmatic instrument for the realization of substantive economic satisfactions, which satisfactions are determined solely power elites who, with Messianic pretensions, envision themselves as endowed with mystic insight into the conditions of social paradise.

The idea of law as “instrumental” developed out of a utilitarian ethical conviction; so that, while socialist pretend to act in a “legal” manner, in truth, the concept of law in the socialist's mind is merely a 'method' to achieve the goal of political dominance. Law no longer rests upon an underlying or transcendent, i.e. absolute, ethical standard. In the West, it was the moral foundation of God's law that undergirded the substance of legality. Hence, law was not something anyone invented or contrived for purposes of social manipulation. Rather, under the guidance of ethical absolutes, law was “discovered”. It was simply “applied”, though not always perfectly or evenly, to the matrix of society. Now, however, by removing God's standard of behavior as the basis of law in the West, and substituting in its place ethical utilitarianism, law and legality (not to mention “justice” and “injustice”) have been transformed into mere “instruments” in the hands of power-brokers who wish to remake society to conform with their 'statist' vision.

Ethical utilitarianism is founded upon two assumptions that have contributed to the tendency towards legal instrumentalism among socialists minds in the West: (1) the irrepressible belief that the goal or end of human existence is the realization of happiness; (2) the firm belief that such laws can be fashioned in accordance with a scientific precision in order to achieve the happiness of society.¹⁷ With the first as a reasonable possibility, it is a simple matter to achieve the right formula for success.

The realization of happiness, however, is an illusive ideal. Every person has his own view of the matter, and it does not always conform with that of another. What is more, one's

¹⁷ Albert Venn Dicey, *Lectures on the Relation Between Law and Public Opinion in England During the Nineteenth Century* (New Brunswick: Transaction Books, 1981), p. 142.

own view changes over time, or one confronts new and unexpected obstacles in life to what had been considered a tolerably 'happy' condition. But by far the most difficult problem is the meaning of "happiness" itself. Who defines it, and how? Socialist minds do not accept the Biblical belief in God, that He created all things, and that man was made in His image which means that man's happiness was a product of his original holiness. Furthermore, they do not believe that man forfeited true happiness along with his holiness when he fell into sin and, therefore, true happiness is only possible once man regains true holiness in Christ, the Savior. Rather, to socialists, man is strictly a being defined by his earthly, material, existence; an existence that depends upon the satisfaction of bodily needs and nothing more. Man, to him, is merely animal with appetites, the gratification of which leads to happiness. Now it may be true that the satisfactions of material needs are vastly different between different persons. How can they all justly hope to meet each and every one? By his equivocating on the problem the socialist imagines that it is possible at least to remove the impediments to happiness that he knows obstruct it. It is a simple matter to arrange the "doings" of all members of society in accordance with the right laws, and these hindrances undoubtedly will be eliminated. This task can be easily achieved by the correct application of reason to the political process, for society is malleable and readily susceptible to organized rational manipulation, and power-holders are better positioned to view the complete social picture and thus to know how all the parts will best fit the whole.

These ethical stipulations predispose the socialist to look at politics from the vantage of an engineer. If changes are to be brought about in society in order to increase the happiness of society, the socialist is not inclined to let matters take their own course. Rather, as Michael Oakeshott has commented, such a person "does not recognize change unless it is a self-consciously induced change..."¹⁸ By "self-conscious" the socialist means "scientifically" planned and effected through the application of rational legal prescriptions, which bear the hallmark of "orders" and "decrees" and government dictations. To view politics as a matter of problem-solving is to be committed to "the politics of the felt need"—to a politics that is "always charged with the feeling of the moment".¹⁹ Politics, in this guise, becomes a matter of resolving one crisis after the next with logical exactitude. When a particular individual seeks public office it is on the premise that he possesses the necessary solution to a given set of "national" problems. He claims to have the correct tools, which is to say, the right social "technique", that will resolve every imaginable difficulty. He will know the best experts and will rely on the most precise scientific input. Oakeshott's evaluation of this sort of mind-set is not inaccurate:

The deeper motivations which encouraged and developed this intellectual fashion are...obscure.... But among its other connections, it is certainly closely allied with a decline in the belief in Providence: a beneficent and infallible technique replaced a beneficent and infallible God...²⁰

18 Michael Oakeshott, *Rationalism in Politics and Other Essays* (Indianapolis: Liberty Press, 1991), p. 8.

19 Oakeshott, p. 9.

20 Oakeshott, p. 23.

When civil life is resolved into a series of problems and crises demanding technical solutions—if man expects to realize the goal of “happiness”—then politics is given over to the belief that what is needed is some sort of over all mechanized control of society. In other words, man looks to Godlike methods of planning and arrangement of every possible person's actions. Man desires strongly to be like God Who planned out the world and history from the beginning. He is not in doubt that he can plan an coordinate society to conform with some overriding vision of the Good. Those who seek office today do so almost invariably on the assumption that possession of its power will enable and permit them to predetermine every area of life so as to realize this dream. Once again, Oakeshott's perceptive insight reaches to the heart of the matter: “I think the instrumental mind may be regarded as, in some respects, the relic of a belief in magic.”²¹ Nothing more accurately captures the quintessence of socialism in all its forms or in every extent of its manifestation.

Capitalism does not rest on these ethical postulates. It does not hold that man possesses Godlike power to conjure into being the perfect society. While each person can in some small way plan his actions he does not know with certainty that his plans will fall out as he expects, nor what the outcome of his plans, as they come into contact with the plans of other persons, will entail. The totality of society is not at man's disposal to coordinate with scientific accuracy. That does not mean that society and its arrangements are simply at the mercy of chance or chaos. For, capitalism depends upon the belief that while man cannot plan all life in advance as he wishes, nevertheless, God can and does. Furthermore, although God does not reveal the details of His plan, He has given to man a law-word by which all men ought to subordinate their diverse plans and actions and that will, in general, lead to positive good for man when he does so and negative results if not. A Biblical ethic should be the grounds of the idea of law and its implementation. In this way, men are free under God to act as they wish, to pursue whatever interests them and to reap whatever rewards that may result, without having to subscribe to the dictates of power-holders and government officials who fancy themselves imbued with infallible insight into the “good of society”.

The moral character of the modern masses is shaped large by the desire to be released from the burden of having to make choices and to act responsibly. Such a person is easily conned into giving this responsibility to government. The elected official, in turn, promises to relieve his constituents of the consequences of his behavior: but in return they must be prepared to hand over to him unlimited power to shape society as he wishes. They must be prepared to sell their liberty for security. They will be deceived. There is no security in arbitrary government. Many so-called Christians today follow this same line of thinking. They will support candidates whose ethics are that of the welfare state, which is nothing but the ethics of socialism. Perhaps if things in the West reach the state at which they arrived in the East, Christians especially will begin to wake up to their responsibility under God to choose a government that submits to God's law and not to man's will.

21 Oakeshott, p. 113.