NATIONAL CATHOLIC REPORTER
Published on *National Catholic Reporter* (http://ncronline.org)

Review: Angus Sibley's \"The 'Poisoned Spring' of Economic Libertarianism

Michael Sean Winters | Jul. 6, 2011 Distinctly Catholic

Angus Sibley?s new book ?The ?Poisoned Spring? of Economic Libertarianism, [1]? recently published by Pax Romana, deals with some of the theoretical issues that have emerged in current debates about America?s long-term fiscal health. Specifically, Sibley argues that the ?Austrian School? of economics has come to dominate conservative arguments about the economy and that this school could not be more antithetical to the traditional social teachings of the Catholic Church.

Sibley, whose career in investment culminated with a seat on the London Stock Exchange, neatly combines his technical knowledge with his deep, and almost devotional, readings of papal social encyclicals from Leo XIII?s Rerum Novarum, through Pius XI?s Quadragesimo Anno, to Blessed Pope John Paul II?s Centesimus Annus. He puts the principal writers of the Austrian School, Ludwig von Mises, Friedrich von Hayek, and some of their American devotees, under the microscope of both his expertise and his faith, and they do not look very convincing by the time he is through with them.

It doesn?t hurt that Sibley?s writing displays a great knack for finding the kind of homey analogy that explains complex economic positions. For example, he writes, ?One may compare an economy with the series-wound DC motor, a type of electric motor traditionally used to drive streetcars and subway trains; a robust and reliable workhorse that has been in common use worldwide, in transport and industry, for well over a century. But this machine, when in the workshop for overhaul or test, must never be allowed to run free on full power. For, unattached to a vehicle with its restraining inertia, it will accelerate without limit until its center flies apart. Nobody wants an accident like that with a traction-motor weighing a ton or two!...The self-destruction of the unrestrained electric motor does not mean that the motor is defective. It simply means that it cannot function properly without restraining inertia. Likewise, the malfunctions of the deregulated economy do not prove that capitalism is fundamentally rotten. They prove that capitalism needs restraints and is self-destructive without them.?

Sibley explores the philosophic roots of the Austrian School?s economic theories in Enlightenment Rationalism. Mises? ?intransigent individualism? is, according to Sibley, rooted not only in his fierce concern to denounce any ?external? constraints upon the freedom of the individual, but also in his ?peculiar? belief that God does not act, because only discontented beings act. This individualism is obviously a part of the ?dictatorship of relativism? famously warned about by then-Cardinal Josef Ratzinger on the eve of his election as Pope, rooted in a completely subjective set of standards, not for society, which would be bad, but for the individual herself. The belief that God does not act may comport with Enlightenment Deism but it does not fit any recognizable Judeo-Christian understanding of Providence or Grace. As for the idea that action is reserved to the discontented, how would Mises explain the popularity of desserts? Seriously, though, Sibley has shown how these economists contradict Catholic social thought at a foundational level.

The super-structure the Austrians built upon that foundation is likewise, and unsurprisingly, anti-Catholic. They treat labor as a commodity, something Blessed Pope John Paul II specifically condemned. They radically

misunderstand natural law, seeing it not as a revelation of an external, normative, and binding code of conduct, but as the mere sum of individual human ambitions. There is no ?common good? in this worldview, only a congeries of individual goods lumped together. The market and its operations cannot be described as ?just? or ?unjust? ? only political interference in the impersonal workings of the market are unjust. Sibley notes that Hayek stated we should ?gain from not treating one another as neighbors.? For the Austrian school, man is autonomous and singular, not social, in nature, so natural law as the Church understands it would have nothing to say about society, economics or culture. ?This attitude denies even the possibility of cultivating the art of good government,? Sibley writes. ?Should we be surprised to find that certain countries, governed by political parties which have perversely adopted the ideology of contempt for the state, are badly governed??

Anytime, political or economic developments are ?freed? from ethical concerns, of course, you do not have to be a Catholic to be alarmed. Nor is it enough to blame all bad results on bad apples within the business community: Structural problems can result in evil consequences too. ?Whereas in the past, businesses were often content to earn adequate profits, today they go for maximum possible profits. They are therefore less willing, or able to treat their workers decently and to act in the public interest, rather than solely for their own narrow advantage. This is easily explained. Today, shares in stock-exchange listed companies are held largely by fund managers who compete very actively with each other to achieve maximum returns. These powerful investors press the managements of the companies to maximize their profits. Companies that fail to do so fall out of favor in the market; their shares sink to low prices, which attract takeover bids.? A good development like the growth in stock markets can lead to bitter fruit if unchecked by the kinds of ?extraneous? ethical concerns that may limit the personal freedom of investors and business owners, but which make for decent wages for a company?s workers and a safe environment for investors. After all, the unregulated stock market achieved ?maximum? misery in the past few years for most investors because of the built-in incentives for greed that benefited the few.

Sibley?s book provides a treasure trove of relevant Jewish and Catholic teachings that uphold a more noble vision of the human vocation. He quotes a passage from Exodus 23:10-11: ?For six years will you sow your land and gather its produce, but in the seventh year you will let it lie fallow and forgo all produce from it, so that those of your people who are poor can take food from it and the wild animals eat what they have left.? It would be funny, if it were not so sad, that Jews living centuries ago had a more advanced sense of social and ecological awareness than contemporary Tea Partyers! Sibley unearths a masterful quote from Henri-Dominique Lacordaire, OP, who argued against the industrialists who wanted laborers to work on Sundays: ?Do you wish to rupture the equilibrium of human activity, to bring about the degradation of souls, the oppression of the weak, the greed of all and the misery of the majority? Is that what you want? You have only to disregard the law of work as it was enacted in the act of creation; increase temporal work, forcibly diminish spiritual work; abandon man to his greed and to the will of his masters; do that, and you can be sure of reaping in a generation the fruit that will satisfy you, if you love the moral and physical degradation of humanity.? Pray, God, that such strong and prophetic words will embolden the pastors of our day who face similar threats to the dignity of human labor and of human laborers.

I do have one criticism of the text. Sibley has a section where he criticizes Sir Isaiah Berlin and his commitment to ?negative freedom,? that is ?freedom from.? Sibley believes that only a ?positive freedom? or a ?freedom for? is compatible with Catholic social thought. I think Sibley is, ultimately, right. But, the story is exceedingly complicated, not least by the fact that the Second Vatican Council?s Decree on Religious Liberty includes a section, largely penned by the American theologian John Courtney Murray, S.J., and supported by the American bishops at Vatican II, that commends the kind of immunity from government influence found in the Bill of Rights, and which Berlin acknowledged as the essence of his conception of negative liberty. Additionally, it should be remembered that although he shared the Enlightenment instincts taken to extreme degrees by Mises and Hayek, it is an injustice to the subtle mind of Berlin to lump him with the likes of these: He has spent too much time studying Hamann and Herder, and especially Vico, to espouse the stilted, unreal views that dominate

the Austrians. Berlin?s liberalism was made of sterner stuff because he had engaged the critics of the Enlightenment, he did not run away from them in a huff. His profound historical sensibility was the antithesis of Mises and Hayek.

Recently, as regular readers know, I have been attacking what I believe are the profoundly un-Christian views of Ayn Rand and her libertarian heirs. Some have objected that this attack is unfair, arguing that part of Rand?s philosophy can be saved, and pointed to Hayek and Mises as better defenders of the libertarian creed. Sibley?s book is the answer to that objection. He does not go so far as the National Review did when it reviewed Rand?s work: ?From almost any page of Atlas Shrugged, a voice can be heard, from painful necessity, commanding: ?To the gas chambers ? go!?? But, he has devastated the Austrians showing that, for all their efforts to condemn the ?statism? they hated, they share too many materialist, anti-Christian, monistic characteristics with Marxism to give their attacks on Marxism much credence. The world they desire is, from a human point of view, certainly from a Catholic and Christian point of view, little different from the world they loathe: To be enslaved to the impersonal forces of the market is, in the final analysis, just as inhumane as being enslaved by the state or the party. Chains are chains and the Austrians and their American followers are not preaching authrnetic human freedom but its counterfeit.

Sibley's is an important book and I highly recommend it both for its ideas and for its erudition. It is easy to read but it is also important to read. The link to Amazon is at the top of the page.

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