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MSW v. Sirico: Part 1

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Distinctly Catholic

Last night, I debated Father Robert Sirico of the Acton Institute. The event was sponsored by the St. Thomas Aquinas Center at the University of Colorado at Boulder, a lovely college town set into edge of the Rocky Mountains and I extend my thanks to our hosts for a lovely event and to Father Sirico for being such an engaging debate partner.

The debate question was: Can the Free Market adequately care for the poor? As you might have guessed, Fr. Sirico argued the affirmative and I argued the negative. The event was videotaped and as soon as I have the link, I shall post it. But, today and tomorrow, I thought I would share the essentials of my argument.

Our Holy Father had something to say recently about the free market. In his World Day of Peace message, he said:

It is alarming to see hotbeds of tension and conflict caused by growing instances of inequality between rich and poor, by the prevalence of a selfish and individualistic mindset which also finds expression in an unregulated financial capitalism.

What does the Holy Father see that Father Sirico does not see? That is a question to keep before us.

The idea that the free market can adequately protect the poor fails in three ways: As a matter of economics, as a matter of morals, and, perhaps most importantly, it fails because it gets the theological anthropology proper to a Catholic Christian wrong.

Let us start with economics. We can frame the question differently ? do we need government as well as the market to care for the poor? Do we need communities and families also? For a Christian, whenever

the issue is caring for the poor, I think we should always default to an "all hands on deck" stance. But, as a matter of history, the idea that the market can care for the poor is obvious. Modern unregulated, laissez-faire economics certainly created great wealth, but it also brought about unprecedented poverty, and a different kind of poverty, urban, concentrated poverty. We have all read Dickens, we know of the endless financial Panics of the 19th century, and our parents told us about the Great Depression. Governments did not wake up one day and say "hey, I have an idea! Let's make government bigger. Governments were responding to actual human needs when they built the modern social welfare state, needs that were unmet by the market mechanisms in place.

In his book, "Defending the Free Market: The Moral Case for a Free Economy," Father Sirico quotes a man by the name of L.A. Halbert, who was evidently the first head of a municipal Public Welfare Board. Mr. Halbert, in 1910, like many people then obsessed with the possibilities of science, actually championed the idea that government programs would "depersonalize" the programs he was implementing. He did not like the idea of charity, preferring to see the programs as administering justice. Of course, for a Catholic, justice and charity are never at odds, they are always complementary. But, more importantly, who cares what Mr. Halbert said? Certainly, the U.S. Bishops who, in 1919 called for expanded social welfare programs, were not animated by the desires or biases that afflicted Mr. Halbert. Msgr. John A. Ryan, who became such a champion of, and influence upon, the New Deal, was not motivated by a desire to eliminate the idea of charity or to depersonalize care for the poor. Nor, really, was Franklin Roosevelt. Nor are our bishops today. And, I might add, neither am I.

It is also chic in certain conservative circles to make light of the effects of the War on Poverty and Great Society programs of the 1960s. "In the War on Poverty, poverty won," they say. But, that is not really true, is it? Poverty among African-Americans was cut by half as a result of the Great Society programs. Senior citizens no longer lose their homes or go bankrupt because of health care expenses. And the idea that Medicare and Medicaid are bankrupting the country is also more false than true. These programs are bankrupting the government, not the country, and they are doing so because we are not willing to raise taxes. In World War I, which was not exactly an existential threat to the safety and security of U.S. citizens unless they happened to travel on ocean liners in the North Atlantic, the top tax rate went to more than 70 percent to fund the war effort. I would rather see the top rate go to 50 percent to fund health care today than to 70 percent to fund a war against the Kaiser.

The idea that if government just got out of the way, private charity and the market could solve all the problems that afflict the poor is ridiculous. The annual budget for Catholic Charities USA, an organization of which we should all be exceedingly proud, is about \$5 billion per year. In fiscal year 2011, the government spent about \$835 billion on Medicare and Medicaid. Now, I am no math whiz, but it seems to me that we are about \$800 billion short, no? The U.S. government recently approved \$50 billion to repair the damage caused by Hurricane Sandy. How would private charity meet such an expense. Even Mayor Bloomberg's deep pockets are not that deep.

One of Father Sirico's characteristics in his writing is to see a simple solution to complicated problems, and the solution is always the same: capitalism. Thus, he bemoans the ill effects of foreign aid. Of course, economic strategies had something to do with the inability of foreign aid to meet all the goals its champions desired. But, why that is so is complicated. He does not mention the political turmoil throughout the developing world in the post-colonial era. He does not examine the lack of infrastructure in many countries, public infrastructure, without which a market cannot really function. He ignores the role of corrupt elites who often got political control of their countries and misdirected foreign aid for political ends. And, of course, not a word about the way we in the West looked the other way in the face of such corruption so long as the local potentates did our bidding in the Cold War. Fr. Sirico compares the circumstances in North Korea versus those in South Korea and attributes the difference to the South's

embrace of the market. But, really, is that the only difference? North Korea is a police state as well as a communist state. Its neighbor to the north, China, has been embracing economic liberalization for decades now, and they have more material goods, but the people are unfree there too.

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In short, the world is a more complicated place and requires more lenses than an economic lens. But, in the libertarian world Father Sirico inhabits, we are always either on the road to capitalist heaven or we are on the road to serfdom. Comparing North and South Korea exclusively in terms of their economic models, like suggesting any equivalence between Soviet collectivism and the Affordable Care Act, aka Obamacare, is, as my friend Leon Wieseltier wrote, "talk radio stupid."

I bring up the ACA for a purpose, because it well illustrates the danger of reducing all reality to economics, or thinking that any one economic strategy is sufficient to help the poor. I will stipulate that the market is very good at distributing goods and services in efficient ways. But, I will not stipulate that all commodities are like all other commodities. If you are shopping for a new car or a restaurant at which to dine, you can compare costs, evaluate the product, etc. But, when you have a heart attack, you don't have the luxury of shopping around for the services you need. You got to the nearest emergency room. No one has an existential, or constitutional, right to dine at a fancy restaurant, or to own a new car. But, every human person does have a right to health care. If the market cannot guarantee that right to everyone, then why should not the government step in to secure that right? Especially for the poor who will never be able to afford the expensive modern technologies with their meager resources but who have as much right to those technologies as the richest man on the planet!

I know that in some libertarian circles, entitlement has become a bad word. But, we are Catholics. We do believe people are entitled to the basic necessities of life, to shelter, to food, to health care, to a secure retirement, and to a living wage. The market may help achieve these things, but when it fails to do so, everyone, including the government, must step up to the plate. I think it is self-evident that when 40 to 50 million Americans lack health insurance, even though the market has been engaged, selling its services for decades, it was beyond time for the government to step in. I wish our politicians had followed the rest of the world in adopting something closer to a single payer system. Every modern industrialized country in the world pays less for health care than we do in the U.S. and their health outcomes are often better than the ones we achieve. That is not the road to serfdom. That is the road to fiscal sanity and the common good and no amount of anecdotal horror stories from rich Canadians will defeat the argument.

As a matter of economics, the idea that the free market can adequately care for the poor fails, and fails miserably. Tomorrow: The ethical and theological issues.

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