



## Capitalism, Socialism, & Christianity

In fact, the very opposite of this popular belief is true: Free-enterprise capitalism and Christianity are not incompatible, because the strongest reasons to defend economic freedom and the market economy are related to Christian morality. It is economic freedom and the market economy that the moral standards of Christianity require, not the opposite economic system, commonly referred to as socialism, the welfare state, or some other name for collectivism. At the same time, economic freedom and the market economy require Christian moral standards in order to function properly.



*Webster's Collegiate Dictionary* defines capitalism as "an economic system characterized by private or corporate ownership of capital goods, by investments that are determined by private decision rather than by state control, and by prices, production, and the distribution of goods that are determined mainly by competition in a free market." It should be noted that all economies require capital, that is, the means of production. The question is who controls the capital, namely, the private sector (free-enterprise capitalism) or the state (monopolistic capitalism).

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The same dictionary defines Christianity as "the religion derived from Jesus Christ, based on the Bible as sacred scripture, and professed by Eastern, Roman Catholic, and Protestant bodies." Free-enterprise capitalism is an economic system based on voluntary relationships, and is in complete conformity with the 10 Commandments.

### Honoring a Christian Covenant

"Honor thy father and thy mother" implies that the family, not the state, is the basic social and economic unit of society and should be the strongest. Throughout human history the most significant provider of social welfare has been the family. The family, in providing for its sick and needy members, in educating children, in caring for parents, and in coping with emergencies and disasters, has done and is doing more than the state has ever done or can ever do. A society characterized by economic freedom is a society dominated by strong family units that provide for their own. Compare that with socialism, whose basic goals, as stated by Karl Marx in *The Communist Manifesto*, include destroying the family in the interests of the larger collective:

Abolition of the family! Even the most radical flare up at this infamous proposal of the Communists.

On what foundation is the present family, the bourgeois family, based? On capital, on private gain. In its completely developed form this family exists only among the bourgeoisie. But this state of things finds its complement in the practical absence of the family among the proletarians, and in public prostitution.

The bourgeois family will vanish as a matter of course when its complement vanishes, and both will



vanish with the vanishing of capital.

Do you charge us with wanting to stop the exploitation of children by their parents? To this crime we plead guilty.

“Thou shalt not murder” means that we should not unjustly do violence to anyone. It is thus a generic expression that forbids the use of physical force, except in self-defense. This differs radically from socialism’s command societies, whose adherents are frequently found not only approving, but actively promoting coercion to achieve their goals. They operate as though the ends justify the means. In such societies — which include the welfare state — compassion, philanthropy, altruism, etc., are institutionalized, and they become a state monopoly: From each according to his abilities; to each according to his needs.

“Thou shalt not commit adultery” means that the marriage contract must be honored, primarily because it protects the family. Furthermore, by logical extension, all contracts should be honored. The idea of contracting for joint benefit presumes a high level of moral integrity on the part of all parties engaged in the transaction.

“Thou shalt not steal” implies the right of private ownership. This commandment clearly means that the Bible sanctions the ownership of private property, because if a thing is not owned, then it can hardly be stolen! Marx’s call for the abolition of private property turns out to be grossly hypocritical. After all, ideas are a type of property, too, and Marx’s *Das Kapital* was protected by a copyright. Try to find a book written by a socialist author that is not protected by a copyright! Socialists violate their own premise about private property in areas such as that, precisely so that even they are able to profit from their labors.

“Thou shalt not bear false witness against thy neighbor” forbids lying. The whole idea of a free market implies that the parties to any voluntary exchange will not try to deceive one another in order to gain unfair advantage. Socialists condemn profits and the profit motive, which also turns out to be hypocritical. In fact, socialist societies are just as profit-minded as capitalist societies. The difference is that under free-enterprise capitalism individuals reap the profits and decide how they will be used, while under socialism the state reaps the profits and determines how they will be used. So, lying, even about its most basic principles, is fundamental to socialism.

“Thou shalt not covet” means that it is wrong even to think about taking what rightfully belongs to another person, which is something socialists have never been able to explain away. Envy, a central aspect of covetousness, involves not only the desire to possess another person’s property, but also to see another person’s wealth or station reduced to everyone else’s level. Socialism, through its employment of the coercive powers of the state for the purpose of expropriating the income and wealth of one group to transfer to another, is a form of institutionalized envy, covetousness, and theft.

Jesus summed up those commandments with one simple statement: “Thou shalt love thy neighbor as thyself.” That means that one wishes one’s neighbor to have what one most values for oneself, namely, the freedom to pursue our own lives without interference, and to allow our neighbors to do likewise.

### **Proof in Parables**

Jesus often used parables to illustrate Christian moral principles. In the Parable of the Good Samaritan, He gives us another perspective on the exhortation, “Love your neighbor as yourself.” On one occasion an expert in the law stood up to test Jesus and asked, “Who is my neighbor?”



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Jesus replied, "A man was going down from Jerusalem to Jericho, when he was attacked by robbers. They stripped him of his clothes, beat him and went away, leaving him half dead. A priest happened to be going down the same road, and when he saw the man, he passed by on the other side. So too, a Levite, when he came to the place and saw him, passed by on the other side. But a Samaritan, as he traveled, came where the man was; and when he saw him, he took pity on him. He went to him and bandaged his wounds, pouring on oil and wine. Then he put the man on his own donkey, brought him to an inn and took care of him. The next day he took out two denarii and gave them to the innkeeper. 'Look after him,' he said, 'and when I return, I will reimburse you for any extra expense you may have.' Which of these three do you think was a neighbor to the man who fell into the hands of robbers?"

The expert in the law replied, "The one who had mercy on him."

Jesus told him, "Go and do likewise."

It is worth considering what Jesus did not say to the expert in the law. He did not say, "Go and force others to do likewise." Christian morality requires that charity and altruism be voluntary, not coerced. But in societies where socialism or a welfare state prevails, people are forced to be charitable and altruistic by the state. That is accomplished by the government confiscating money from some and giving it to or spending it on others who are deemed to be in need. Some condone this by arguing that "the people are the government." If that is so, then it should logically follow that, just as people are not allowed to steal, even in the name of charity and altruism, then neither should the government be allowed to steal in the name of charity and altruism. Christianity is concerned with what is in a person's heart, and that can be known only when a person is free to choose and is not coerced.

From the foregoing it should be apparent that it is not free-enterprise capitalism that is evil, but, rather, it is the people who abuse such an economic system who are evil. The principle is the same as that reflected in John Adams' comment about the U.S. Constitution: "We have no government armed with power capable of contending with human passions unbridled by morality and religion.... Our Constitution was made only for a moral and religious people. It is wholly inadequate to the government of any other." In other words, a free society runs the risk that the citizens will abuse their freedoms, unless there is something that induces them to practice an adequate degree of self-restraint. But it does not logically follow that our system of government is therefore evil.

The claim that free-enterprise capitalism is inherently immoral is the very opposite of the truth. Of all forms of economic organization, it alone is founded upon and consistent with Christian morality. In the Gospel of Matthew, we find Jesus recounting the Parable of the Talents. It is a lesson about capital, investment, entrepreneurship, and the proper use of scarce economic resources. It is also a direct rebuttal to those who see a contradiction between business success and living the Christian life.

In that short story, a rich man who was going on a long trip called his three servants together. He told them they would be caretakers of his property while he was away. The master had carefully assessed the abilities of each servant. He gave five talents to one servant, two to another, and one to the third, that is, to each according to his perceived ability. The master then left on his journey.

The servant who had received five talents went into business and made five more. The servant who received two made two more. But the servant who received one buried it in the ground.

The master eventually returned and began to settle his accounts. The servant who had received five talents came forth. "My lord," he said, "you entrusted me with five talents; and I have made five more."

"Well done, good and faithful servant!" the master responded. "You have been faithful in handling a



small amount, so I will give you more. Let us celebrate together!”

Then the servant who had been given two talents approached the master. “My lord,” he said, “you entrusted me with two talents; and I have made two more!” The master praised and treated the second servant as he had the first servant.

Then the one who had been given one talent approached his master. “My lord,” he said, “I knew you to be a hard man and, being afraid of losing your money, I hid your talent in the ground, and here it is.”

The master’s response was swift and harsh: “You wicked and lazy servant! You ought to at least have invested my money with the bankers; then, on my return, I should have received my own with interest.”

The master ordered that the talent be taken away from the lazy servant and given to the one with the 10 talents. “To those who use well what they are given,” said the master, “even more will be given, and they will have an abundance. But from those who are unfaithful, even what little they have will be taken away. Throw this useless servant out into the darkness!”

That parable carries an ethical message, as well as lessons for understanding human accountability in economic life. The word “talent” in the parable has two meanings. First, it is a monetary unit. The second meaning refers to the gifts we are born with and acquire in life. In effect, this is our personal capital. One of the lessons from this parable is that it is not immoral to earn profit from our resources, our intelligence and ingenuity, and our labor. The alternative to profit is loss, and the loss of wealth, especially due to a lack of initiative, indicates poor stewardship. In this story, the master considered that burying the talent, and thus merely breaking even, constituted a loss, because he thought that the latent capital he provided ought to earn a reasonable rate of return. In other words, time is money.

The parable also contains an important lesson about how we are to use our talents. The master expected his servants to seek material gain. Rather than passively preserve what they had been given, they were expected to invest the money and put it to good use. The master was angered at the lack of ambition of the servant who had received the one talent. Christian principles direct us to use our talents for productive ends. The parable emphasizes the need for work and creativity, as opposed to physical idleness and mental laziness.

The Parable of the Talents also implies a moral obligation to confront an uncertain future in an enterprising way. No one does that better than the entrepreneur. Long before he knows if there will be a return on his investments or ideas, he risks his time, effort, and resources. He must pay out wages before he has any idea whether or not he has accurately predicted consumer demand and future events. He looks to the future with optimism, courage, and a sense of opportunity.

Socialists view the businessman’s use of his natural talents and resources to make a profit as immoral, a notion that must be rejected in light of the Parable of the Talents. The ability to succeed in business is a talent. Like other gifts, it should not be squandered. Critics link free-enterprise capitalism with greed, yet the fundamental nature of the capitalism they denounce is to focus on the needs of others. To succeed, the entrepreneur must first serve others and make life better for others. Compare that with monopolistic capitalism (socialism), which is primarily concerned with serving the state.

### **Abandoning Service to the Saviour**

Greed is a spiritual disorder that can victimize anyone, regardless of one’s wealth or economic philosophy. The term has a proportional element, meaning that there is an excessive or insatiable desire for material gain, regardless of financial status. The desire is excessive when, in a person’s heart, it



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outweighs moral and ethical concerns. The parable makes it very clear that gaining more wealth than another is not unjust: The first servant received more than the second and third. And when one makes a profit from the use of one's talents, it is not necessarily the result of greed. It is simply the proper use of one's gifts.

In addition to condemning profit, critics of free-enterprise capitalism often favor varieties of social leveling and redistribution of income. Social welfare spending and higher taxes on the rich are all promoted in the name of Christian ethics. The ultimate goal is equality, as if the inequalities existing among people are somehow inherently unjust. Yet this is not how Jesus tells it in the Parable of the Talents. The master entrusted to each of his servants a number of talents according to the perceived ability of each. The one who received the least did not receive sympathy from the master for his lack of resources.

We can infer from the parable that forced reallocation of resources is not a virtue. The individual talents and raw materials that each of us has do not indicate injustice. There will always be inequalities among people. A truly moral system is one which recognizes that and allows each person to use his or her own talents to the fullest.

The Parable of the Talents implies that wasting talent violates Christian values. After all, the lowly servant did not squander his master's money but, rather, just put it in the ground. Nevertheless, the master calls him "wicked and lazy" and banishes the servant from his household.

Critics of free-enterprise capitalism often cite Jesus' words, "It is easier for a camel to pass through the eye of a needle than it is for a rich man to enter the Kingdom of Heaven." This does not mean that material success will keep a person out of heaven, but it does imply the necessity to order our social and spiritual lives properly, before considering our material concerns.

The socialist program is the direct opposite of the moral one. Where Christian values advocate creative action, socialism discourages initiative. Where Christian values demand faith and hope in the future, socialism promises a base form of security, in return for servility to the state. Where the Parable of the Talents implies the freedom to trade, invest, and profit, socialism denies all. In short, the Parable of the Talents shows the values of free-enterprise capitalism in Christian ethics.

As a final thought, remember that Jesus was a carpenter. Did Jesus own his own tools, that is, the capital goods of his trade? We have no reason to believe that he did not. Therefore, we should be able to conclude with confidence that Jesus himself was an advocate and practitioner of free-enterprise capitalism.

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