

“Nine Libertarian Heresies”— A Surrresponse

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Finn says that my arguments fail to erect a position that is both Catholic and libertarian. I disagree and will expound on them here further, showing how justice for all is possible within such an order. In addition, I will show that Finn’s belief in the redistribution of income is contrary to Catholic social thought. It is he who fails to erect a position that is both Catholic and liberal.

Finn is misguided in focusing on a “one-time grand redistribution of wealth after which no further redistributions would be allowed” (a proposal I describe briefly in a footnote) as being an essential part of my position. The core of my thesis is the Christian methodology of doing political economy that I explained. This methodology says that any law, tax, right, rule, regulation, or cultural imperative that provides an incentive to act contrary to the nature of God or a disincentive to act in accord with the nature of God is, by its nature, contrary to God’s Order (capital O) and, as such, can be judged to be wrong and, hence, should be changed or abolished. God is all Good, Beauty, Truth, and One. Therefore any tax on or regulation of goodness, beauty, truth, or unity inhibits or provides a disincentive against humans acting like God and so cannot be a part of a just social order. I take the position that this is the only valid methodology by which a Christian can do political economy, that is, by which a Christian can seek to develop a just social order. All laws must conform to this principle, and I challenge Finn to find a fault in this methodology.

The social order that I described is deductively derived through a consistent application of this methodology along with a basic understanding of human nature, from which justice with respect to that nature is derived. It is from this premise

that I derived the conclusion that an income tax must be contrary to God's Order: it is a tax on work, a tax on something good. It is from this methodology that I concluded that laws containing perverse incentives, including income redistribution, must be contrary to God's Order. Then, from there, I sought out a just solution to existing injustices such as poverty and unemployment. My proposal for a one-time redistribution of wealth is not where I begin; it is a conclusion derived from this methodology in developing a just social order. I humbly admit that there may be other solutions; I simply have not found any that do not contain perverse incentives, and so I hold to this one-time restitution.

Although I called it a redistribution in my original response, it is really a restitution rather than a redistribution because it is restitution for past usury.¹ Finn is incorrect in thinking that I think that this restitution is politically impossible in the United States. It is politically impossible today. However, when the full brunt of this sovereign debt crisis is unleashed on the people of the Western world, such a solution will be very politically feasible, especially when it is revealed that the concentration of wealth is largely a result of usury—something that the Church has always taught is wrong²—and that justice requires its restitution.³ Each family would then buy outright or pay off the mortgage on their own home/promised land with those funds.

Finn has it wrong in thinking that I take a “go back to the land” solution. Quite the contrary. In essence, what this promised-land idea leads to is absolute ownership of one's home without any mortgage and property taxes. The average American pays 35 percent of his income toward housing expense. This would now be zero. The cost of living is substantially reduced. Further, no one would ever lose their home to the bank. Everyone would always have a place to live. Furthermore, to the extent that they own farmland, they could lease it out to some farmer and use that money to buy food. (I never advocated that the unemployed go back and farm their own land, but they would have that option if they so choose.)

With a massive cut in the cost of living and housing owned by everyone, there is far less need for redistribution. Finn is right that it is a right-wing illusion that private charities would step in for government *and do all that government is now doing for the poor*. I am saying that in a just social order after the one-time restitution of wealth,⁴ charities need not do anything close to that much. Finn claims that my system leaves many groups of people with unmet needs. That is pure speculation. On the contrary, the current system leaves over 9 percent unemployed, 5 percent underemployed, and millions not even counted—along with a bankrupt government. What solution does Finn have for that? I, at least, am providing one.

My point was to provide a methodology that enables us to discover a just, peaceful, and sustainably prosperous social order that completely conforms to the Word of God. As I discussed in some detail, this methodology demonstrates the immorality of income taxes for redistribution, as well as a variety of other taxes including corporate profits taxes, capital gains taxes, and inheritance taxes. In essence, it renders most of the welfare state as it is now conceived to be illegitimate. The methodology does not condemn all taxes—sales taxes, sin taxes, tariffs, or a value-added tax—that are not fundamentally immoral.⁵ Also legitimate would be a Georgist-style property tax on nonpromised land.⁶

Finn thinks that I reject “the traditional Catholic endorsement of government’s role in collecting taxes to help meet the needs of those who cannot meet their own.” What I opposed—and I tried to be sufficiently precise about this—was not taxes *per se*, but *specific kinds of taxes* that were effectively taxes on the nature of God. Also, I did not oppose government welfare *per se*, but *certain kinds of welfare* that provide a disincentive against work, an incentive to bear children out of wedlock, or a sense of entitlement—things that are contrary to goodness and unity; that is, contrary to the nature of God. As such, although Catholic social thought does allow for government intervention in cases of extreme need,⁷ there are right ways and wrong ways to intervene. I do not oppose this teaching of the popes. *I was narrowing its legitimate forms to exclude those that are contrary to love and the nature of God.*

Finn claims that government redistribution is a “fundamental building block of Catholic social thought.” It is not. Finn ignores the non-Catholic part of redistribution: the fact that it causes the breakdown of families, creates class warfare, is a massive disincentive to produce, leads to people feeling entitled, and in the long run, bankrupts and destroys the social order.⁸ Finn completely ignores this and falls into heresy as a result. Pope John Paul II said that unbridled capitalism is inconsistent with Catholic principles of justice.⁹ He also says that unbridled taxation and redistribution is also outside the legitimate realm of Catholic social thought.¹⁰ It has turned what used to be a relationship of charity between giver and receiver into a relationship of hate between those who feel entitled and those who feel swindled. As Pope Benedict XVI says in *Caritas in Veritate*, “We should seek to restore a kingdom of loving relationships.” This means a social order that is neither unbridled capitalism nor unbridled welfarism. What I am providing is a methodology by which one can determine which forms of taxation, redistribution, and regulation are illegitimate. Furthermore, after making the one-time restitution and various other institutional changes, they *may* not be needed at all.

I proposed a solution as to how to get to that social order from the current one: the one-time restitution of wealth followed by the abolition of the forced

redistribution of income in combination with various other changes too numerous to list here. This would result in a social order where a far larger percentage of the population would be able to meet their own needs. In this new order, charities could probably provide for all the needs of those who cannot meet their own. I did not have the space to provide a complete exposition of this alternative social order. Nevertheless, the methodology should give the reader a vision as to how to do this and the hope that it can be done.

According to the principle of subsidiarity, helping the poor and needy is only a governmental function if other institutions are unable to meet their needs. The liberal establishment has been intentionally destroying intermediary institutions since 1789.¹¹ Within the social order that the popes and the Church have espoused—a guild system of job security without usury where each family owns their abode, and so forth—government is probably not needed to perform this function. Modern popes have argued for governmental intervention and redistribution as a *prudential* and *provisional* solution to meeting the needs of the poor. If someone reads *Rerum Novarum*, *Quadragesimo Anno*, and other social encyclicals, it is clear that their preference is for an alternative social order¹² to the current unbridled capitalism, one that would alleviate these injustices and, at the same time, relieve the need to engage in forced redistribution and the perverse incentives that it causes.

On a different point, Finn confuses my statement opposing government's forcing people to do what they should—which was referencing harm done to oneself, like taking drugs—and assumes that I meant it for actions that harm others. That is a cheap shot. Every libertarian desires laws against harming others, and he knows it. Yes, Catholic tradition has always seen government as using threats and punishments to prevent harm to others. Finn seems to think that it also applies to using threats and punishments to prevent harm to oneself, and this is where I disagreed with him. The tradition is much more nuanced; not everything that is immoral should be illegal.¹³

Another specific point that Finn mentions in his response is the Catholic rejection of methodological individualism, and he claims that I sidestepped this. There are two aspects of methodological individualism: one that is to be contrasted with the human person, and the other that simply states that only individuals act. I specifically mention the incompatibility of the libertarian notion of the individual with the Catholic notion of the human person. It is this aspect of methodological individualism that is rejected by Catholic tradition. Finn agrees; however, he insists on the latter as also being contrary to Catholic teaching. It is here that I say his critique is semantic.

No libertarian that I have ever read or spoken to denies that “institutions have causal effects—enablements and restrictions—originally emergent from human action, but once established, operate independently of the actions of individuals.” If Austrian economics says anything, it says that *incentives matter!* All Finns describing are the incentives that are caused by existing institutions. No libertarian would deny—rather they would emphasize to liberals who seem to deny—that taxes and regulations affect human behavior! No libertarian would deny that institutions, such as the media, affect people’s behavior through what they teach (whether it be truth or lies) and through the carrots and sticks that they put out there. Methodological individualism does not deny these affects of institutions.

Finn then uses an example that I provided to get to the heart of the difference between methodological individualism and his view of Catholic social thought. I said, “I am not culpable as an American if America engages in an unjust war.” Finn says, “This is too individualistic for Catholic social thought.” He also says, “We have a joint responsibility for the institutions we participate in, benefit from, and sustain. Thus Catholic social thought recognizes that we are to some degree culpable if our democratically elected leaders start an unjust war.” In reality, one’s moral culpability depends on his own particular circumstances. To properly judge one’s moral culpability of an action of a government, we must ask:

1. To what extent is he a government actor who played a part in the decision by the government to do the immoral act X (the sin of commission)?
2. If he was not one of those government workers, to what extent did he spend time seeking to persuade the decision makers (i.e., by way of his position in the media or as a lobbyist) to make this decision (the sin of tempting others to commit sin)?
3. If he is not in the media and does not have a blog where he posts his opinions on these things, to what extent did he have free time or power (through money or media) to talk or to organize against the immoral action but failed to do so (the sin of omission)?

If a person did not play any part in committing a sin, did not seek to influence others to commit the sin, and when possible, sought to stop others from either committing the sin or influencing others to commit it, then he has no moral culpability. Simply living within the geographical boundary of a sovereign’s authority does not make one morally culpable for its actions.¹⁴ In other words, a Russian who ended up in the gulag was not partially responsible for his ending up there. Even if one is free to emigrate or secede¹⁵ and chooses not to, one is

not therefore morally culpable for all the actions of his sovereign, even a little.¹⁶ Jews were not partially responsible for their own deaths at the hands of the Nazis (who were democratically elected). Furthermore, a Christian who hid Jews from the Nazis was not responsible for the Nazis' actions either. Not even partially. Nor were Christians who spoke out against it and, in some cases, found themselves rounded up into a concentration camp. They did not need to spend time in a concentration camp in order to be devoid of responsibility. Finn recognizes a gradient to the degree of responsibility among citizens when he says that those supporting the war are more responsible than others. However, for some reason, he is unwilling to take that gradient to its logical conclusion that at least some people may have no responsibility for government actions. Does the gradient start at zero or something above zero?


One final point, Finn says, is that I seek to “squeeze the expansive Catholic notion of human flourishing into the pigeonhole of the libertarian prohibition against ‘harm’ to others.” I think that Finn misunderstood my point. I was showing how a very specific way of understanding “harm”—a way that, I grant, probably few libertarians besides myself take—would render libertarian philosophy compatible with Catholic social thought as it pertains to social justice and that *no other* way of understanding harm would have this result. In other words, I was specifically avoiding the typical pigeonhole understanding of “harm” that most libertarians take and providing a much broader Catholic definition of that term. Semantic game? Maybe, but this is the only way out for libertarians. Finn regrets that I did not say much about whether his critique applies to several Catholic scholars explicitly named in his article. I do not believe it is my job to defend or critique the positions of every neoconservative Catholic or libertarian Catholic. I agreed with Finn that the view of harm taken by most libertarians is incompatible with Catholic social thought. I am offering my libertarian Catholic friends a way out of heresy while still maintaining what they know to be right about free markets and a limited government. I am also offering Finn a way out of the heresy of advocating institutions that contain perverse incentives and attack the nature of God—a way out that enables him to maintain what he knows to be true about a just social order: that the needs of all can be met within its institutions.

Notes

1. It is outside the scope of this article to expound on this point at great length. Let us just say, as an example, that since 1950 the US federal government alone has paid over \$6 trillion in usury. The sum of the usury that is in need of restitution in the United States—from interest payments made by federal, state, and local governments as well as individuals on credit cards and other loans—is a very large number. It is so large that a one-time restitution of this would be sufficient to allow most people to buy their own homes outright, thereby significantly reducing the cost of living.
2. See Aquinas, *Summa Theologica*, II-II, 78.
3. See Pope Benedict XIV, Encyclical Letter *Vix Pervenit* (November 1, 1745).
4. The reader needs to note the difference between wealth and income. I am most assuredly not advocating a one-time grand redistribution of income followed by the future abolition of the redistribution of income. However, I am advocating a one-time restitution of past stolen wealth followed by the abolition of the redistribution of income because it will no longer be necessary for justice.
5. These taxes are imposed at the time that an exchange takes place. Governments provide peace and a justice system that settles disputes. This peace enables these exchanges to take place in the marketplace without massive thefts, and the justice system helps enforce these exchanges against fraud. Therefore the government can legitimately tax these exchanges because it is helping to enable them in the first place. These are not taxes on goodness, beauty, or truth. Although an exchange is unifying, it is not clear that the alternative uses of people's time would be any less unifying. Hence, these forms of taxation are not taxes on the nature of God. An argument can be made that other forms of legitimate taxation might be more efficient (like a Georgist tax), but that kind of reasoning argues against these taxes for efficiency reasons, not fundamental, absolute reasons. The most efficient form of taxation may vary as available technology changes, so an argument based on efficiency does not necessarily hold for all times.
6. A property tax that increases with the value of the buildings on that land is a tax on beauty because more beautiful buildings—assuming equal functionality—would cost more. A tax on beauty is a tax on the nature of God. The United States has such a property-tax system. That is why most homes and buildings are built largely for function. They are economizing and lack the beauty of many older structures built when such beauty was not taxed.
7. “[T]he more that individuals are defenseless within a given society, the more they require the care and concern of others, and in particular the intervention of governmental authority.” Pope John Paul II, Encyclical Letter *Centesimus Annus* (January 5, 1991), 10.

Controversy

8. It is clearly the welfare systems of Europe and the United States that have bankrupted them.
9. *Centesimus Annus*, 42.
10. “[There should be] necessary limits to the State’s intervention and on its instrumental character, inasmuch as the individual, the family and society are prior to the State, and inasmuch as the State exists in order to protect their rights and not stifle them.” *Centesimus Annus*, 11. Finn seems to fail to understand that certain forms of taxation and redistribution stifle people’s rights. I am seeking to explain how a social order can be developed that does not contain these inherent injustices—a system where the family (through promised land ownership) and society (through guilds and the lack of usury) meets the needs of the vast majority of people—and, as such, does not need any redistribution by government.
11. It was a principal tenet of the French Revolution. See Hippolyte Taine, *The French Revolution*, trans. John Durand, 3 vols. (New York: Henry Holt, 1878–1885).
12. The popes specifically mention some version of a guild system as being a part of a truly Catholic social order. See Pope Leo XIII, Encyclical Letter *Rerum Novarum* (May 15, 1891), 2; Pope Pius XI, Encyclical Letter *Quadragesimo Anno* (May 15, 1931), 83–87. They oppose usury: *Rerum Novarum* (RN), 2; *Vix Pervenit*. They advocate for a wider distribution of wealth: *Rerum Novarum*, 2. When they discuss redistribution by the state it is only when “they must chiefly depend on the assistance of the state”: *Centesimus Annus*, 10. The popes seek to protect private property and oppose its redistribution through excessive taxation: RN, 69; QA, 49. These views can only be internally consistent if one understands that the redistribution advocated is advocated within the social systems that exist today because of their inherent injustices. In other words, advocating redistribution is the result of *prudence* and is needed today as a measure of *practicality*; it is not argued for as something fundamentally necessary at all times and in all social systems.
13. Aquinas made this point, among many others.
14. Having voted for the current president does not guarantee culpability either because one may have voted for him for other aspects of his platform not knowing he would engage in an unjust war.
15. The decision to emigrate or secede is not an absolute decision but a relative one. One must compare the alternative that people will be fleeing to (or creating for the case of secession) the one that they are currently a part of. There are great costs associated with emigrating (and greater associated with secession). History has shown that people do not leave except under extreme hardship or a clear advantage already established in the place they are emigrating to. One may not really have a viable option to emigrate or secede. Therefore the decision to stay within the sovereign authority in question is not sufficient to make one morally culpable for its actions.



Anthony E. Santelli II

16. If one has the capacity to nullify the action of government over oneself and/or a smaller jurisdictional area and chooses not to, then, yes, one is morally culpable. How one can nullify an act of war is an interesting question. Perhaps if one is allowed to retain the taxes from the local citizens so that they are not financing the war one could say that they have nullified their responsibility. Catholic social thought emphasizes the principle of subsidiarity. If subsidiarity is impossible—as is the case currently with respect to the direct taxation of individuals by the federal government in Washington, DC—then, one cannot be morally culpable for not doing it.