

CENTENNIAL REVIEW

Principled Ideas from the Centennial Institute

Volume 8, Number 2 • March 2016



Publisher, William L. Armstrong

Editor, Jeff Hunt

WESTERN
CONSERVATIVE
SUMMIT
July 1-3, 2016

CHALLENGING THE MYTHS OF PROGRESSIVISM

by Lawrence Reed



Lawrence Reed, President of the Foundation for Economic Education, spoke at Centennial Institute's Issue Monday in February. Below are excerpts from his speech and his new book, "Excuse Me, Professor: Challenging the Myths of Progressivism."

Myth 1: Jesus Was A Socialist

I first heard something similar to this cliché some 40 years ago. As a Christian, I was puzzled. *I had always understood Christ's message to be that the most important decision a person would make in his earthly lifetime was to accept or reject Him as a savior.* Christ stressed inner, spiritual renewal as far more critical to well-being than material things. I wondered, "How could the same Christ advocate the use of force to take stuff from some and give it to others?"

One can scour the Scriptures and find nary a word from Christ that endorses the forcible redistribution of wealth by political authorities. None, period.

Consider the Eighth of the Ten Commandments: "You shall not steal." Note the period after the word "steal." The admonition does not read, "You shall not steal unless the other guy has more than you do" or "You shall not steal unless you're absolutely positive you can spend it better than the guy who earned it." Nor does it say, "You shall not steal but it's OK to hire someone else, like a politician, to do it for you."

What about the reference, in the Book of Acts, to the early Christians selling their worldly goods and sharing communally in the proceeds? Art Lindsley of the Institute for Faith, Work and Economics writes, "In this passage from Acts, there is no mention of the state at all. These early believers contributed their goods freely, without coercion, voluntarily. There is plenty of indication that private property rights were still in effect....".

It may disappoint progressives to learn that Christ's words and deeds repeatedly upheld such critically-important, capitalist virtues as contract, profit, and private property. For example, consider His "Parable of the Talents." Of several men in the story, the one who takes his money and buries it is reprimanded while the one who invests and generates the largest return is applauded and rewarded.

Nowhere does Christ even remotely suggest that we should dislike a neighbor because of wealth or seek to take that wealth from him. Using the power of government to grab another person's property isn't exactly altruistic. Christ never even implied that accumulating wealth through peaceful commerce was in any way wrong; He implored people to not allow wealth to rule them or corrupt their character.

In Matthew 19:23, Christ says, "Truly I tell you, it will be hard for a rich person to get into the kingdom of Heaven." A progressive might say, "Eureka! Christ doesn't like rich people" and then stretch the remark beyond recognition to

justify any rob-Peter-to-pay-Paul scheme that comes down the pike. But this admonition is entirely consistent with everything else Christ says. It's not a call to envy the rich, to take from the rich, or to give "free" cell phones to the poor. It's a call to character. It's an observation that some people let their wealth rule them, rather than the other way around. It's a warning about temptations.

In Christ's teachings and in many other parts of the New

You Shall Not Steal

Lawrence Reed became president of the Foundation for Economic Education in 2008. Previously, he served as president of the Mackinac Center for Public Policy in Midland, Michigan. He gave this talk at the Centennial Institute on February 8, 2016.

Centennial Institute sponsors research, events, and publications to enhance public understanding of the most important issues facing our state and nation. By proclaiming Truth, we aim to foster faith, family, and freedom, teach citizenship, and renew the spirit of 1776.



Lawrence Reed speaking at Colorado Christian University.

Testament, Christians—indeed all people—are advised to be of “generous spirit,” to care for one’s family, to help the poor, to assist widows and orphans, to exhibit kindness and to maintain the highest character. How all that gets translated into the dirty business of coercive, vote-buying, politically-driven redistribution schemes are a problem for prevaricators with agendas. It’s not a problem for scholars of what the Bible actually says and doesn’t say.

Search your conscience. Consider the evidence. Be mindful of the facts. And ask yourself: “When it comes to helping the poor, would Christ prefer that you give your money freely to the Salvation Army or at gunpoint to the welfare department?”

Christ was no dummy. He was not interested in the public professions of charitableness in which the legalist and hypocritical Pharisees were fond of engaging. He dismissed their self-serving, cheap talk. He knew it was often insincere, rarely indicative of how they conducted their personal affairs. It would hardly make sense for him to champion the poor by supporting policies that undermined the process of wealth creation necessary to help them. In the final analysis, He would never endorse a scheme that doesn’t work and is rooted in envy or theft.

Christ endorsed things like freedom, charity, generosity, kindness, personal responsibility, and voluntary association—things that are irreconcilable with coercively-financed redistribution schemes.

Myth 2: The Minimum Wage Helps The Poor

Economists have long argued that raising the cost of labor,

especially for small and start-up businesses, reduces the demand for labor (as with anything else.) But progressives routinely call for increases in the minimum wage. It’s a progressive myth that government can simply decree a minimum wage law and all kinds of wonderful things will happen.

As the late economist Henry Hazlitt said, “You cannot make a man worth a given amount by making it illegal for anyone to offer him anything less.” Let’s say Congress passes a law that requires the minimum wage to be \$15/hour. If that is the case, is there no such thing as a job, by its nature or conditions of the market, that is worth \$10/hour? Is every job, no matter what it is, now worth what Congress decrees? Of course there are \$10/hour jobs. What happens to these people when the minimum wage is raised to \$15/hour? That’s like saying to workers that if you cannot find a job for \$15/hour, you are not allowed to work. The decree from Congress to force a wage to \$15/hour is equally a ban on all work that is less than \$15/hour. If your skills, education, or place in life require you to work at \$10/hour, Congress is banning you from doing so.

You can’t expect employers to pay workers more than their productivity is worth just because Congress demands it. At higher prices (or wages), less is purchased. That’s a law of economics more powerful than a minimum wage law from Congress.

Why Not Decree \$50/hour?

Millions of people, who are utterly unaffected by the minimum wage because they are already earning something higher to begin with, see their wages rise almost every year—some even during recessions. It’s not a decree of Congress that does this; it’s factors such as productivity, capital investment and competition in the labor market.

If raising the minimum wage to \$15/hour makes sense, why stop there? Why not declare that everyone must be paid \$50/hour? If Congress can decree the value of a job at one level, why not others? If you believe that \$50/hour is too much, perhaps there is hope. It sounds like you think the cost of labor might indeed affect the demand for it.

Myth 3: College Should Be Free

Candidates like Bernie Sanders may call for college to be free, but it’s not really free, of course. In the government context, “free” means that everyone pays whether he wants



CENTENNIAL REVIEW is published monthly by the Centennial Institute at Colorado Christian University. The authors’ views are not necessarily those of CCU. Designer, Justin Jones. Illustrator, Benjamin Hummel. Subscriptions free upon request. Write to: Centennial Institute, 8787 W. Alameda Ave., Lakewood, CO 80226. Call 800.44.FAITH. Or visit us online at www.CentennialCCU.org.

Please join the Centennial Institute today. As a Centennial donor, you can help us restore America’s moral core and prepare tomorrow’s leaders. Your gift is tax-deductible. Please use the envelope provided. Thank you for your support.
- Jeff Hunt, Director



Scan this code with your smartphone to read this and previous issues online.

the service or not. Bernie Sanders never asks the moral questions of whether we should take money from people to pay for free college or whether it's acceptable to make people dependent upon government for their education.

Rather than looking at a new government program as the solution, shouldn't we ask ourselves if government has been part of the problem? Throwing big bucks at college education has allowed college tuition to go through the roof and insulated college administration and faculty from the winds of the marketplace. Colleges will keep raising the prices if they keep getting money from the government.

“Free” Means That Everyone Pays

This is a problem of existing government programs. The free market would provide even more education than it does now but for the “unfair competition” from government. Since government has a resource that private organizations lack—the tax payers—it is able to offer its services for “free.” As long as government can tax its citizens and then provide educational services to them at a marginal price of zero, much private education will never come into being. How ironic that government vigilantly looks for predatory pricing in the private sector when government itself is the major offender.

Government domination of education assures that the entrepreneurial innovation and creativity we are accustomed to in, say, the computer industry will be missing from education.

Myth 4: Upton Sinclair’s The Jungle Proved Regulation Was Required

- Upton Sinclair’s novel, *The Jungle*, is treated by progressives as though it were a documentary, but it was nothing of the kind. It was a work of fiction, full of fabrications. Even Teddy Roosevelt said the author was “hysterical and untruthful.” Sinclair was hired to write it for the purpose of advancing socialism in America.
- Government meat inspections existed before Sinclair’s book was ever written. If even a portion of what he wrote really described what was happening routinely in meatpacking plants, either the government inspectors were complicit or else they were inexcusably ignorant—neither of which makes for a strong case for new regulation.
- In the end, the meat packers actually supported the Meat Inspection Act because it put the government seal of approval on their product and got the taxpayers to pay for it.

Myth 5: The Rich Are Getting Richer And The Poor Are Getting Poorer

Progressives try to argue that the poorest have a small percentage of the overall wealth pie. And that might be true, but the pie is much, much bigger. Would you rather have 50 percent of a million or 20 percent of a billion? Another way of putting this: Would you rather be better off, even if that means certain people were super well off? Or would you rather everyone were worse off, as long as everyone were relatively equal?

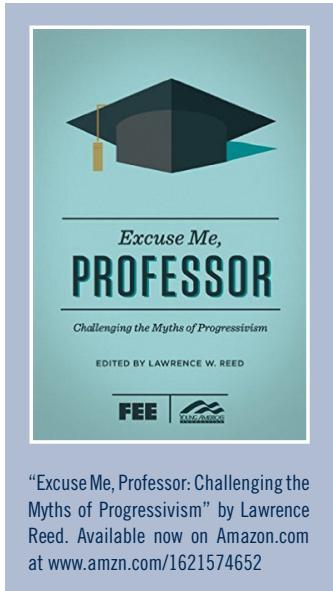
That the poorest among us are still, on balance, doing better today than they were 50 years ago is a remarkable testimony to what relatively free people and markets can do, even as governments put up roadblocks. So if the poor aren’t getting poorer, why do people say they are?

One reason this particular cliché manages to hang around is that people generally take a static view of the economy. The idea is that wealth is like a giant pie, which neither grows nor shrinks, but gets carved up and distributed in certain ways. So, some people end up with the false idea that the only way the rich can be richer is if part of the wealth pie is taken from the poor. From this they conclude justice demands a different distribution of the pie.

Wealth can be better imagined as a growing pie, or better, a growing ecosystem. Merit and hard work tend to be rewarded in this growing pie, but rewards more generally accrue to those who create value for others.

Advocates of so-called social justice want the wealth pie to be divided according to an arbitrary and subjective abstraction like “fairness” or equal outcomes. But carving up wealth according to some nebulous concept of justice ignores the actual ecosystem in which people operate. By distributing from rich to poor, you end up paying poorer people to be less productive, while punishing more productive people. If taxation and redistribution for the sake of equal outcomes makes us all worse off than we would otherwise have been, how is this social justice?

In the past 30 years, all quintiles of American society have become wealthier. It’s also true that there are fewer desperately poor people around the world. In only 20 years, extreme global poverty has been cut in half. That



“Excuse Me, Professor: Challenging the Myths of Progressivism” by Lawrence Reed. Available now on Amazon.com at www.amazon.com/1621574652

*Article includes aspects by Sheldon Richman in “The Free Market Cannot Provide Public Education.”

Non-Profit
Organization
U.S. Postage
PAID
Permit No. 302
Denver, CO

CHALLENGING THE MYTHS OF PROGRESSIVISM

by Lawrence Reed

Lawrence Reed, President of the Foundation for Economic Education, challenges common myths of progressivism in this month's Centennial Review, including:

1. Jesus Was A Socialist
2. The Minimum Wage Helps The Poor
3. College Should Be Free
4. Upton Sinclair's The Jungle Proved Regulation Was Required
5. The Rich Are Getting Richer And The Poor Are Getting Poorer

CENTENNIAL INSTITUTE

Colorado Christian University
8787 W. Alameda Ave.
Lakewood, CO 80226

Return Service Requested

is a remarkable achievement—one that is attributable to policies of liberalization (freer markets) around the world, which progressive activists and egalitarians decry. In other words, those who say the poor are getting poorer are simply wrong.

More than a century and a half ago, Karl Marx and his early followers claimed the rich were getting richer and the poor were getting poorer. They argued this would continue and worsen. No one in his right mind can look back on the intervening years and believe the poor were better off in 1850 than they are in 2015.

Just think how much more capitalism could do to alleviate the poverty that still exists if only government were to get out of its way. ■

Capitalism Makes Everyone Richer

**Article includes aspects by Max Borders in "The Rich are Getting Richer and The Poor are Getting Poorer."*

If you enjoyed these 5 myths, Lawrence Reed explores a total of 52 myths of progressivism in his latest book: "Excuse Me Professor, Challenging the Myths of Progressivism."

Order your copy here: <http://amzn.com/1621574652>

The advertisement features a woman wearing a cowboy hat and a light blue shirt, riding a brown horse. The background shows a scenic landscape with mountains and a sunset. On the left side, there is text and a logo. The logo consists of three stylized white mountain peaks. To the right of the logo, the text reads "WESTERN CONSERVATIVE SUMMIT" in bold capital letters, followed by "This Land We Love" in a script font. At the bottom, it says "July 1-3, 2016" and "wcs16.com/cr".