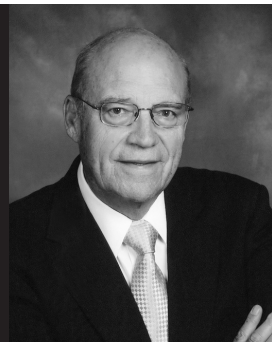




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The Schwarz Report



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Volume 56, Number 8

August 2016

Putin—A New Cold War?

by Fay Voshell

On June 20th of this year, CNN ran a piece containing declassified information about the Cold War spies of the 1970s. During the presentation, a former CIA Chief of Counterintelligence articulated the foundational assumptions behind the struggle between the former Soviet Union and the Western democracies. He said, “We were faith. They were atheist.” He added, “They (the USSR) were authoritarian; we were democratic.”

He and the others interviewed for the program described the Cold War as a death struggle between two diametrically opposed systems of belief: communism vs. liberal democracy.

President Vladimir Putin has recently expressed his hope and desire that another Cold War between the West and Russia not begin. Putin lamented the fact that the Western democracies and Russia were still far apart and largely antagonistic toward one another even after the fall of the Berlin Wall.

He, along with other political observers, expressed the hope that after communism fell in the 1990s, there could be rapprochement between the West and Russia. The idea of such a rapprochement was long an elusive, if not impossible, goal as long as the Soviet Union was dominated by Marxist thought and principles. Alliance with the West was not within the realm of possibility.

The revival of a Cold War, the Russian president said, was partly due to what he regards as over extension of NATO and the economic sanctions imposed by the West due to the issue of the Russian presence in Ukraine and the annexation of Crimea. But there are other factors behind a possible renewal of the Cold War than realpolitik geopolitical power plays, which will always be part of world political dynamics.

At the core of the continued antagonism between the West and Russia is the breathtaking shift in ideologies that have occurred in America during the Obama administration and in Russia during Putin’s ascendance to power.

While Russia has embraced a spiritual revival that includes the re-establishment of the ancient Russian Orthodox Church and its Christian values; and while Putin is committed to Russia the nation, the Obama administration has committed itself to an anti-Christian ideology characterized by extreme aggression toward the majority Christian community and its values; and has its gaze set on a radically secularist global world order that disregards nation states.

In brief, there has been a nearly complete role reversal since the 1970s, with some leaders of the West now devoted to a radical secularism that marginalizes and excoriates the Christian majority of the United States in systematic ways once unthinkable.

For example, rejecting the Christian concept of what it means to be human beings created in the image of God, the Obama administration has committed itself to the transgender movement, which at heart represents a view of the human being so extreme as to go against observable and scientific reality. Transgenderism has devoted itself to a concept of “equality” so dangerously reductionist that it threatens the very foundations of Western civilization.

The sexual revolution now spearheaded by transgenderism rejects the binary nature of humanity, and thus is far more radical than the French and Bolshevik Revolutions, which at least recognized the distinctions between men and women. It is at heart nihilistic and anarchical, as it jettisons reality and strikes at any and every foundation for law and order influenced by Christianity. Total destruction of everyone and everything that stands in the way of final annihilation of Western Christian foundations is the goal of the sexual revolutionaries. A brave new global order presently only vaguely imagined is then to be built on the ruins of formerly Christianized nations—the very concept of nations being anathema to the new revolutionaries.

President Obama is wholly committed to the transgender movement. In fact, one could term him a proselytizer in chief for the transgender cause.

What rapprochement is possible between Russia and the West while such a radical viewpoint is embraced by leaders of Western democracies? What hope is there for diplomatic agreements between America and Russia when the current administration of the United States, and quite possibly a future administration under Hillary Clinton, is committed to a utopian world order that requires the death of nation states and the eradication of any Christian framework for law and order? Shall these radical notions be the standard for Russia, just as she is committing herself to rediscovery of her national and religious heritage?

No wonder there is talk of a new Cold War when there is such a radical ideological reversal.

Lest we forget, the anarchical viewpoints of Western sexual revolutionaries have affected some in Russia—just as the nation under Putin is recommitting herself to her ancient and authentic roots.

We have seen in Russia, to give only one example, the spearpoint of the anarchical sexual revolution in the behavior of Pussy Riot, the female rock group who invaded the sanctuary of Christ the Savior Cathedral in 2012 in order to proclaim its manifesto in a “Punk Prayer.”

Virgin Mary, Mother of God, banish Putin
Banish Putin, Banish Putin!

Congregations genuflect
Black robes brag, golden epaulettes
Freedom’s phantom’s gone to heaven
Gay Pride’s chained and in detention

The head of the KGB, their chief saint
Leads protesters to prison under escort
Don’t upset His Saintship, ladies
Stick to making love and babies

Crap, crap, this godliness crap!
Crap, crap, this holiness crap!

[Chorus]
Virgin Mary, Mother of God
Become a feminist, we pray thee
Become a feminist, we pray thee

Bless our festering bastard-boss
Let black cars parade the Cross
The Missionary’s in class for cash

Meet him there, and pay his stash

Patriarch Gundyaev believes in Putin
Better believe in God, you vermin!
Fight for rights, forget the rite –
Join our protest, Holy Virgin

Activist Masha Gessen, who has decreed marriage should not exist, was recently honored by the US Department of State. She is typical of the defenders of Pussy Riot’s desecration of Moscow’s Church of the Savior in 2012. She sees the group’s members as martyrs to the radical secularist cause and characterizes their performance as a “brilliant, artistically gifted prank.”

However, the group’s performance was neither “brilliant” nor “artistic.” Any well-informed critic would scoff at the women’s gauche, heavy-handed and inept exhibition. Any educated Westerner or Russian knows what artistry and brilliance in Russian music sounds like. It sounds like Tchaikovsky’s “Hymn of the Cherubim;” it sounds like Rachmaninoff’s “Third;” it sounds like Shostakovich’s “Waltz #2.” It sounds like Prokofiev’s “Dance of the Knights.”

What Pussy Riot’s shenanigans revealed was the boorish behavior, sights and sounds typical of postmodern, anarchical iconoclasts, who have been busy at work in Europe and America for decades, determinedly attacking and aggressively seeking to destroy religious beliefs, institutions, and founding documents. We in America have heard and seen such “artistry” in the form of Ginsberg’s “Howl,” Serrano’s “Piss Christ,” and Ofili’s dung decorated “The Holy virgin of Mary.”

In like manner, there is absolutely nothing new about Pussy Riot’s sacrilegious assault on the cathedral, which is mere mimicry of the assaults on the Catholic cathedral in San Francisco by gay “activists.”

Pussy Riot chose their target with great deliberation. The Church of the Savior represents the still fragile restoration of Russian Orthodoxy to its rightful place in the history of the Russian nation. Christianity is and has been part of the Russian soul for over one thousand years. The group’s choice to defile the sanctuary was a significant attack on Russian Orthodoxy and the Russian government, as the church is the symbol of the resurgence of the Christian faith once brutally suppressed by the Bolshevik regime. Under Stalin’s orders, the church was blown to smithereens in 1931 after being plundered of its treasures. The Babel-like ziggurat that was to replace it as a monument to Soviet atheism’s triumphalism was never built. The church was reconstructed 1995-2000, and holds a

central place in the hearts and souls of Russian Christians.

The impetus behind Pussy Riot is essentially the same as that which once took the cathedral down—an ideology committed to total destruction of faith, religion, and nation. Pussy Riot’s songs of rebellion are their anarchical hymns to chaos, order, and atheism. They have about as much musical integrity as the Horst Wessel song.

The restoration of Christianity in Russia is recent and vulnerable to attacks of ideologues. What we see in Pussy Riot is the resurrection of iconoclasm in the form of a debauched rock music group. Russia recently endured an iconoclastic regime for some seventy years. Now is time for rebuilding, not more destruction.

Finally, let’s recall that freedom of speech is not the main issue here. Nor is “artistry.” Pussy Riot can find places to perform outside of the cathedral of Christ the Savior. Indeed, the group’s members have been welcomed as martyrs to the avant garde causes in England and America, causes Richard John Neuhaus succinctly described: “[The] nihilistic avant garde is a regression to the rule of the barbarians . . . They are those who know nothing and insist that nothing can be known . . .”

Shall the barbarians prevail? Shall pearls be trampled by swine?

May the Russian Orthodox church and other Christian churches operate freely without the predations of those who wish to destroy them? Does the Russian government have a vested interest in maintaining inviolate the sacred places so important to millions of Russian Christians? Does it have an interest in fostering religion?

The question is whether or not the government of Russia (or America) has a vested interest in protecting the nation’s religious institutions and the national integrity from the predations of those who wish to destroy them.

Does Russia, in sum, have reason to resist the importation of an ideology committed to a new Cold War, an ideology committed to the destruction of everything that constitutes the soul of the nation?

Are there reasons for a possible renewal of a Cold War?

The answer to the above questions is, “Yes.”
—*American Thinker*, June 25, 2016

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Killing Christianity in America

by Fay Voshell

The secular extremism characterizing much of the contemporary political scene sometimes makes it hard to realize Christianity was once the primary motivating force behind the great human rights movements of America.

Men and women of faith fought for decades to achieve victory over the great human rights issue of the 19th century—freeing the slaves. The issue of slavery had festered from the time of its introduction into the colonies in 1619. It would be Pennsylvanian Quakers, who believed in the inner light of conscience, who filed the first formal protest against slavery in 1688.

Abolitionists fought ferociously because of their unyielding and undying belief that all human beings were made in the image of God and were entitled to equal protection under the law. Bolstered by the constitutionally guaranteed rights stated clearly in the first amendment of the American constitution, they fought to end slavery and to guarantee equality of all human beings before the law.

The roots of that great reform movement as well as many of the continuing reform movements of the 19th and 20th centuries—including the Civil Rights movement of the 1950s and 60s—were profoundly Christian.

How radically things have changed.

Now, at the inception of the twenty-first century, constitutionally guaranteed rights of the exercise of faith and religious freedoms are jeopardized by a sex cult that has borrowed but completely distorted the underlying principles of the abolitionist movement and its heir, the Civil Rights movement.

The radical fringe of the sexual revolution that began in the 1960s coincided and was parallel with the Civil Rights movement, gradually poisoning and then determining to kill outright the Christian religious conscience that was and still is the backbone of reform in America. The radicals behind the sexual revolution substituted in the place of Christian conscience answerable to God a militant view of self-determination that held to no god but the inner god of human will and power.

In an astonishing perversion of the Quaker idea of the inner voice of conscience answerable to God, the inner voice of the individual human being was determined to be infallible in matters of sex and practice—“If it feels good; do it.” What any individual believed to be his or her inner voice granted unqualified authority to remold the world

according to the latest revolutionary fatwa concerning sexual freedom.

Over a period of a few decades, activists for the LGBT movement transitioned steadily from their initial demands for equal protection under the law to demands for gay marriage, to denaturing the very construct of humanity by insisting on a gender free society, to promoting the right to force society at large to accept as infallible an individual's ability to discern and to declare one's self to be whatever sex one chooses.

To put it another way, the LGBT agenda will brook no contradiction from the rest of us mere mortals to argue about the inerrant inner light of the gods and goddesses who declare themselves to have divine ability to transform themselves into any sex they wish to be. The "right" to be or not to be man or woman resulted in the fanatical demand that bathrooms must be retrofitted to conform to "gender free" standards, meaning that in practice either sex could use public facilities as they wished, including those who are physically men but believe themselves to be women.

But even victories in the bathroom bill fights have not been enough for radicals. Encouraged by the recent decision of the Supreme Court ratifying a pillar of the LGBT movement; namely, the constitutional "right" of same sex couples to marry, the movement has set its sights on destroying Christianity itself. By insisting that no minister or priest can refuse to marry gay couples, and by asserting no organization or institution, including churches, can refuse to hire people diametrically opposed to Christian beliefs, the LGBT movement reveals itself to be a cult radically and viciously antithetical to Christianity.

And, yes, it is a cult.

A basic definition of a cult is an organization whose beliefs are so far separated from the real world, that if society were to incorporate those beliefs, it too, would go mad. Therefore, insane beliefs completely divorced from the ground of being can only be established by force of law and strategies utilizing persecution aimed at eventual elimination of entities in opposition to those beliefs.

The result is that open war has been declared on Christianity in America. For proof of that war, we need only to look at the mad consequences we now observe in Georgia, where the governor of that state has vetoed a bill that would have offered absolutely minimal protection to ministers and churches. *World Magazine* reports:

"Claiming the bill would 'give rise to state-sanctioned discrimination,' Georgia Gov. Nathan Deal today vetoed a law that would have provided legal protection for pastors, faith-based organizations, and business owners who, in good conscience, refused to service gay weddings. The

veto leaves Georgians with no statewide religious liberty protection and vulnerable to lawsuits over belief in the biblical definition of marriage."

Apparently completely ignorant of the First Amendment to the US Constitution's clear statement of religious protection, the governor added: "In light of our history, I find it ironic that today some in the religious community feel it necessary to ask government to confer upon them certain rights and protections."

Let that sink in.

In an era in which our Secretary of State has finally admitted genocide is being committed against unprotected Christians in the Middle East, the governor of Georgia says religious communities don't need the government to confer rights and protections on people of faith.

Irony of ironies, Nathan Deal is a Southern Baptist—a Southern Baptist who just gave over his own denomination to corporations for thirty pieces of silver. That his own church holds such retrograde and discriminatory positions as marriage being a covenant between a man and a woman and that the scriptures hold very pronounced views on sexual behavior seem to come as a surprise to Governor Deal.

But they do not surprise Albert Mohler, President of Southern Baptist Seminary, and stalwart defender of orthodox Christian views on the sexes and marriage. One wonders if Deal—what a perfect name—is prepared to see Dr. Mohler sued and hauled away to jail for advocacy of orthodox Christian doctrine concerning marriage and sexual mores.

Certainly Deal's capitulation to corporations and the LGBT radicals helps explain why a plurality of Georgian evangelicals, among them Southern Baptists, voted for shameless secularist Donald Trump. Apparently neither Deal nor the plurality of so-called evangelicals think faith and Christian doctrine have anything to say about the character of candidates who wish to lead a nation or about radical policies antithetical to and aimed directly at Christians.

The leftist rage directed at American Christians should come as no particular surprise.

Historically, the Left has always sought to eviscerate and even to eliminate Christianity. The all-out assault on Christians in America by the Left resembles the wars socialism and communism waged against Christianity, the most obvious example being the attempt of the communist Soviet Union to bury Russian Orthodoxy.

A less noted example, yet a clear provider of an almost exact pattern of what is happening here in the US, is the persecution of Mexican Roman Catholics by radical so-

cialists during the Cristero war of the 1920s. During that war, Mexican socialists sought to eliminate Christianity from Mexico, which at the time was 95% Catholic.

For over 70 years, from about 1917 onwards, the Roman Catholic Church was actually outlawed. It was not allowed to own property, run parochial schools or convents or monasteries. Foreign priests were deported, and many native priests killed outright. The Church was not allowed to defend itself publicly or in the courts.

As Catholic Gene writes:

“[The Church] was hardly allowed to exist. According to historian Jim Tuck, ‘This was not separation of church and state: it was complete subordination of church to state.’

“It was not until 1992 that the Church was restored as a legal entity in Mexico. During the period of the strictest enforcement of these draconian laws beginning with the rule of President Calles in the late 1920s, Mexicans were often imprisoned for wearing religious items, saying ‘Adios’ in public (which literally means ‘with God’), or even questioning the laws. Public worship was a crime punishable by hanging or firing squad.”

The Mexican Constitution of 1917 included the following restrictions on Catholics:

“According to the religious liberties established under article 24, educational services shall be secular and, therefore, free of any religious orientation. The educational services shall be based on scientific progress and shall fight against ignorance, ignorance’s effects, servitudes, fanaticism and prejudice . . . All religious associations organized according to article 130 and its derived legislation, shall be authorized to acquire, possess, or manage just the necessary assets to achieve their objectives . . . The rules established at this article are guided by the historical principle according to which the State and the churches are separated entities from each other. Churches and religious congregations shall be organized under the law.”

The new constitution obligated the registration of all churches, declared all priests and ministers were ineligible to hold state office; and stated they could not advocate on behalf of any political parties or candidates. The State would regulate the number of priests in designated regions and no priests could wear religious garb in public. Nor could religious ceremonies be conducted outdoors without strict regulation by the State.

One needs only to read the restrictions of the Mexican Constitution of 1917 to recognize a similar pattern of persecution and restrictions against churches and people of faith in the United States, land of the free.

In retrospect Christians, at least partially, have only themselves to blame, as they have yielded time and again

to state intrusions and restrictions with only sporadic guerrilla warfare. On the whole, Christians have reacted to anti-Christian decrees and restrictions such as the SCOTUS decree on abortion, the elimination of Christianity from public schools, and the muzzling of priests and pastors concerning politics by retreating into a subculture.

As the attacks ratchet up, Christians urgently need to understand continued capitulation to the demands of the radicals who are pushing for the fringe demands of the LGBT movement means the death of religious freedom in America. It also means a cult’s radical doctrines replace Christian mores.

Are Christians in America prepared to see their pastors sued and/or sent to jail, their children continued to be subject to indoctrination in public schools, their state and federal governments continue to kowtow to extremists determined to eradicate the influence of religion; the free exercise of religion in the public square eliminated; Christians consigned to what would essentially be a caste system, with people of faith considered untouchables who are not worthy of public office or even employment?

If they are not prepared to strongly confront a cult’s takeover of America’s governments, churches, and major institutions; if they wish to see Christianity once again regain its status as a major influence for societal reform; if they want to once again see Christianity as salt and light in the society in which they live, they have no choice but to stand and fight.

Otherwise, the Church in America will die.

—*American Thinker*, April 3, 2016

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Clueless Capitalists

by Irwin M. Stelzer

Karl Marx, Joseph Schumpeter, and Irving Kristol have two things in common. All three recognized the extraordinary ability of market capitalism to produce goods, services, and wealth. And they hoped, believed, and feared, respectively, that capitalism contained the seeds of its own destruction.

The time may have come when these keen observers of the capitalist system are being proved right. Not because the state will have taken over all the means of production and distribution, as Communists and socialists would have it—or merely the “commanding heights of the economy,” as Lenin would have it. The state no longer needs to own

the means of production and distribution in order to control the economy, allocate capital to whatever purposes the state deems most desirable, and set prices, including the price of labor. To do that, it needs three things: a willingness to use regulation as a tool of control; the power to tax and subsidize; and a decline in the acceptability of capitalism, especially among the classes that have in the past benefited from its enormous productive power.

Donald Trump sees capitalism as a system in which businesses succeed by buying the approbation of politicians in power, no matter which party. Dollars buy access to those in positions to confer favor, no matter their beliefs. Doing business requires something other than the best product at the best price; it requires favors from the people in a position to grant them. His candor on the subject is not an adequate defense. Hillary Clinton takes a different view. The great wealth produced by capitalism is a sort of honey pot, and the game for a political leader is to figure out how to dip into it. Perhaps it takes getting elected to a high office; or establishing a seemingly charitable foundation; or getting in a position to dole out favors and collect IOUs to be cashed at just the right time; or linking all of the above and shaping it into a single large spoon with which to do the dipping, leaving no trace, as our colleague Daniel Halper lays out in detail in *Clinton, Inc.: The Audacious Rebuilding of a Political Machine*.

To Ted Cruz capitalism is a wonder, as indeed it is, but also a merciless Darwinian process that requires, among other things, deportation sans pitié, taxing what workers buy rather than the incomes of the wealthy, abolishing the sensibly porous but nevertheless useful fence that assigns some territory to religion without making it a key feature of democratic government, and featuring disdain for the political process that underpins capitalism but requires pragmatic adjustment and, dare I say it, compromise if it is to continue to play that role.

To Bernie Sanders, perhaps the most transparent of the lot, capitalism is a system to be changed by a “revolution.” No, not the bloody sort practiced by his socialist predecessors when he was honeymooning in the Soviet Union. And no, not one engineered by dispossessed horny-handed sons of toil seeking to be freed of their chains, but by a young army of privileged college students who should be forgiven for they know not what they do, owing to the absence of courses in Western civilization and an appalling lack of interest in the work of the Founding Fathers.

In short, no need to seek among the various aspirants to the leadership of our nation anyone with a belief in capitalism as it has until recently been understood: a system in which individual producers compete to offer

individual consumers the best product at the best price, staying within the law while doing so, a law that introduces into the system noneconomic social values agreeable to a majority of the population. No need to hope that we will find such a one as Franklin Delano Roosevelt, a vigorous interventionist but one who sought to save, not destroy, capitalism by making markets work better to produce goods and jobs, and distribute essential benefits such as electricity and decent housing more widely. Or a John F. Kennedy, who understood that the purpose of tax policy was to keep the goose laying golden eggs. Or a Ronald Reagan, who understood that government is more often the problem than a solution, and that it could better provide solutions by making the supply side of the economy more supple rather than by artificially manipulating the demand side. All in their own way, and in all probability well aware of what they were doing, were seeking to preserve capitalism, by reforming it if necessary.

Some overstepped at times, some fell asleep at the switch at times and were too timid to deploy the tools at their disposal, but none sought what Trump, Clinton, Cruz, and Sanders have in mind for us: a stint in office that has no consistent understanding or fondness for the traditional underpinnings of America’s functioning capitalist system.

No need here to detail the many ways in which government has used its power to regulate by replacing capitalism’s market with rules, despite the fact that the problems could be met by greater, rather than less reliance on prices. Consumers are content to have their electricity made by burning coal, yet instead of making them pay for the environmental impact we will simply regulate the industry out of existence. Consumers make it clear in the market that they prefer large to small, European-style vehicles, but manufacturers are instead told what mix of the two they must turn out. Consumers want to buy health insurance policies that do not have premiums inflated with reimbursements for services they neither want nor need, but regulation prohibits the sale of such policies, which insurers would dearly love to make available to consumers who would dearly love to buy them. Homeowners who were led to believe that in a free-market capitalist system their homes were their castles find that government can snatch those homes away to permit developers to build parking lots or shopping malls in order to increase the tax revenues of the government that did the house-napping.

Equally, there is little need here to lay out in painful detail how the power to tax and subsidize has become the power to destroy capitalism’s ability to provide consumers with the goods and services they crave. Consumers want cheap electricity; government wants expensive wind ma-

chines and solar installations. So it pays well-connected businessmen to build such facilities, using taxes on consumers to fund that wealth transfer. Government thinks we should drive electric vehicles, so it takes money from the paychecks of middle-class workers and hands checks to those wealthy enough to afford \$85,000 Teslas. Government thinks you should smoke less and is probably right, so it raises taxes on cigarettes and bans smoking within several hundred feet of federal buildings while the former speaker of the House contentedly puffed away in the office provided him by taxpayers. Travelers are willing to pay for more parking at airports, but cannot express that preference with hard cash because politicians have reserved spaces for themselves rather than bid and pay for them on an open market and taxes travelers to make up for the lost revenues needed by airport operators.

That this creates cynicism there is no doubt. That politicians' personal behavior and ethical bent removes them from the ranks of possible defenders of the capitalist system is equally certain. Which is the least of our problems. More damaging to the sustainability of that system is the behavior of the corporate sector. The deeds of the financial sector are well known: lavishly rewarding the very executives who were not so long ago bailed out by taxpayers; slipping in charges for services that consumers neither want nor knew they were being charged for; foreclosing on loans of men and women serving overseas in the military to protect the livelihoods of the bankers ordering the foreclosures.

But there is more than the banking sector putting people off the system. High-tech billionaires, many of them major contributors to the party in power, demand and get more visas to allow them to import high-tech workers from abroad after engaging in a conspiracy not to compete for domestic workers, thereby keeping salaries down and depressing the supply of Americans who might, were wages set in the market rather than in Silicon Valley intercorporate communications, be available for those jobs. Hedge fund entrepreneurs, surely in the top .001 percent of earners, work the corridors of power to arrange to have their compensation taxed as if it were capital gains and not income, something that offends even Donald Trump, perhaps because he was too busy setting up a university to have time to open a hedge fund. General Motors' inattention to quality results in deaths in cars manufactured during a time when it was operating with a taxpayer bailout. Drug companies, clearly entitled to profit from their wonderful research, go a step further and prevent the reimportation of drugs they are willing to sell at lower prices to Canada.

Capitalism has always had its discontents. But the vast

majority of Americans accepted it, warts and all, because it produced a dazzling array of goods and services at reasonable prices, while at the same time distributing income in a way that made those goods widely affordable. Air conditioning, refrigeration, washing machines—not to mention the electricity that powered them—became available to almost all Americans, in the case of electricity with a major assist from a government now dedicated to making it more costly for them to use it. Today, a sales clerk in a department store lives better than most of her customers did in the middle of the last century. If some jobs paid more than others, no matter: With hard work a man (mostly men, then) could earn enough to live decently and to help his children do even better. Public schools worked well, and the brightest could get a decent education even if they were the poorest, witness the brilliant products of New York City's public universities.

That was then, and this is now. Capitalism continues to produce a cornucopia of goods and services that makes life ever-more satisfactory. But as Robert Gordon argues in his interesting *The Rise and Fall of American Growth*, the inventions of 1870-1970, notably the internal combustion engine and electricity, had a far greater positive impact on the living standard of Americans than the current innovative output of Silicon Valley. That is debatable, but what is not is that the quality of the public goods that made America a land of opportunity has declined: I ask readers of a certain age to compare the public educations they received with those on offer in Baltimore, Washington, New York, and other major cities afflicted with teachers' unions, kids coming to class from appalling housing projects and fatherless homes. And it is these public goods on which the middle class, with its incomes stuck, although at reasonable levels by historic standards, must rely as it pursues the American Dream, which, despite reports to the contrary, still lives, although its hold on life is more tenuous than it once was.

That is only in part because the marginal addition to the quality of life by the latest app is less than the addition of electricity. It is because Americans are less willing to accept the distribution of the bounty of capitalism as fair. Here is where both progressives and conservatives have much to answer for. Progressives, with their thousands upon thousands of regulations, have stifled growth, leaving the pie much smaller than it need be. But conservatives, by focusing until recently only on increasing the size of the pie—greater incentives to innovation, freer trade, constraints on trade-union work rules—ignored just how that pie is to be sliced. Yes, freer trade probably increases global efficiency; it also forces unskilled

Americans—unskilled in part because the education system failed them—to compete with \$1-per-day Asian labor while conservatives extol the virtues of free trade. And placing the burden of enhancing growth on monetary policy, which increases the value of assets held by the better-off at the expense of the value of savings and pensions held by the less-well-off, adds to inequality and loss of faith in capitalism.

Fortunately, Americans complain, and worry, and note that the incomes of the counties around our nation's capital, populated by lobbyists, bureaucrats, and politicians, are among the highest in the nation, but so far are inclined to stick with capitalism if not with the entrenched political class. During the Great Depression, when poverty was rampant—real poverty, not lack-of-a-flat-screen-television-set poverty—and the unemployment rate hit 25 percent, Americans continued to believe that a responsive government, rooted in democratic capitalism, would be more in their interests than the other models on offer—national socialism in Germany, fascism in Italy, communism in Russia. After World War II, when the head of General Motors, then the symbol of American economic prowess, professed that what was good for his company was good for America, cynical guffaws were at a minimum. And when America was called upon to protect not only itself but most of the rest of the world from Communist imperialism, its citizens were willing to bear any burden, meet any hardship, support any friend in the cause of freedom. Now, corporate America is more tolerated than revered, and any candidate suggesting that we bear a burden in the cause of freedom is quickly retired from consideration.

So, as Lenin once asked in another context, what is to be done? It would be difficult to argue that the solution lies in a new attitude from the self-seeking political class, members of which believe that the long run is the time until the next press conference and the very long run the time until the next election. Rather, the answer must come from those who benefit most from American capitalism, but whose benefits are determined by a system of corporate governance that is seriously in need of repair that would turn over power to the shareholder-owners of the

companies: CEO compensation in owner-run companies is well below that characteristic of companies where pliant boards selected from a roster of friends of the CEO set pay and perks.

Note that few resent our self-made billionaire entrepreneurs: Bill Gates, Mark Zuckerberg, Sergey Brin, Larry Page, and the late Steve Jobs—these men are more capitalist icons than capitalist running dogs, to borrow a phrase from the rulers of China's 1.4 billion souls, including 3.6 million millionaires. In Irving Kristol's formulation, these are "real person[s] . . . who took personal risks, reaped personal rewards, and assumed personal responsibility for [their] actions." And there seems to be little anger at LeBron James, or Steph Curry, or other sports millionaires.

If corporate compensation could be made legitimate by relating it broadly to performance, profits, and attention to the public interest, and if businessmen could understand that (Kristol again) "the populist temper and the large corporation coexist uneasily in America," they might take a different view of many important issues. Increased minimum wages set by legislatures might seem no more artificial than executive compensation set by friendly directors. Trade agreements that enhance the prospects of exports might be examined for their impact on more vulnerable American workers. Demands that consumers be protected from misrepresentation might seem more reasonable in light of recent history in, say, the banking and auto industries. The long-run survival of the system that sustains them might be seen to require restraint, the recalibration of moral compasses to point in the direction not of what an executive can get away with, but towards what Adam Smith called "the fortune of others."

If that noble thought is not enough to make our corporate chieftains weigh the effect of what they do on the probability of the survival of market capitalism, perhaps an appeal to self-interest will. Let them survey the political scene with a cold eye, and ask where they will be if populism, for which I have great regard, turns really nasty, driven by a sense that the current system has to be destroyed if prosperity is to be more equitably shared.

—*The Weekly Standard*, April 11, 2016, p. 25f

Founded in 1953, the Christian Anti-Communism Crusade, under the leadership of Dr. Fred C. Schwarz (1913-2009) has been publishing a monthly newsletter since 1960. *The Schwarz Report* is edited by Dr. David A. Noebel and Dr. Michael Bauman and is offered free of charge to anyone asking for it. The Crusade's address is PO Box 129, Manitou Springs, CO 80829. Our telephone number is 719-685-9043. All correspondence and tax-deductible gifts (CACC is a 501C3 tax-exempt organization) may be sent to this address. You may also access earlier editions of *The Schwarz Report* and make donations at www.schwarzreport.org. Permission to reproduce materials from this Report is granted provided that the article and author are given along with our name and address. Our daily blog address is www.thunderontheright.wordpress.com.