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The Rhetoric of Economics: Why Words Important[1]

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Abstract:

By looking at historical evidence McCloskey concludes that the great transformation of the Industrial Revolution was made possible by the change in attitudes, reflected ultimately in the change in rhetoric, towards Bourgeois values. This paper explores the importance of the change in rhetoric by looking at the impact of the more recent change in attitudes *against* Bourgeois values. This paper argues that what Weigel identifies as the current European crisis of civilizational morale is ultimately a product of turning away from the rhetoric that made the Industrial Revolution possible. Weigel warns that today's European crisis could be tomorrow's American crisis. This paper argues that the election of Barack Obama has accelerated America's turn towards the "European Model" and its anti-Bourgeois rhetoric.

JEL classification: O10 (economic development), P16 (political economy)

Keywords: Obama, rhetoric, industrial revolution, European crisis, Bourgeois values

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Introduction

In his book *The Cube and the Cathedral: Europe, America, and Politics without God* (2005) George Weigel makes the point that today's European crisis of civilizational morale could be tomorrow's American crisis; "getting at the roots of *Europe's problem* is important for understanding a set of problems Americans may face in the not-too-distant future" (p28). Since the election of Barack Obama we seem to be moving towards the "European Model" at a much faster pace. In his speech at Strasbourg on April 3, 2009 President Obama remarked "In America, there's a failure to appreciate Europe's leading role in the world". "There have been times where America has shown arrogance and been dismissive, even derisive" towards its European allies (para. 18).

Europe's crisis of civilizational morale.

In his book Weigel explains that he has tried to understand "why Europe's approach to democracy and to the responsibilities of democracies in world politics seems so different from many American's understanding of these issues" (Weigel, 2005, p3). He is concerned because "the widening rift between the United States and the countries and cultures from which America was born [is] not a happy prospect" (Weigel, 2005, p4). He highlights that the issues confronting Europe are not unique to its relationship to America; that Europe is committing a form of "demographic suicide". Its far below replacement-level birthrates creates a vacuum that is being filled by Muslim immigrants from former colonies attracted by generous welfare benefits (Weigel, 2005, p6).

Weigel further highlights "America's Europe Problem" by discussing Robert Kagan's *Of Paradise and Power: America and Europe in the New World Order* (2003). Weigel summarizes Kagan's diagnosis thus:

> The United States and Western Europe have different strategic visions: different understandings of how the world works, different understandings of the nature of power, different understandings of the causes of conflict in

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> the world, different views on the role of international legal and political organizations in managing conflict, and different perceptions of the utility of military power in securing peace, freedom and order in world affairs. (Weigel, 2005, p8)

Weigel argues that Kagan "suggests that these dramatically different strategic visions are not the by-products of national character" (Weigel, 2005, p8). "Rather . . . these different strategic visions are the product of a great disparity of military power between the United States and Europe" (Weigel, 2005, p8). This disparity in military power is "the product of an ideological gap . . . a different set of ideals and principles regarding the utility and morality of power" (Weigel, 2005, p9). Kagan points to the irony that "American power made it possible for Europeans to believe that power was no longer important" (Weigel, 2005, p11).

Weigel embraces Kagan's explanation but believes that it is not enough; that Europe's "crisis of civilizational morale" has to be understood in light of Joseph Weiler's "Christophobia". Weigel argues that "European high culture is largely Christophobic, and Europeans themselves describe their cultures and societies as post-Christian" (Weigel, 2005, p27). In his book *The Fatal Conceit: The Errors of Socialism* (1988) Friedrich von Hayek already perceives the effects of Christophobia; "Even those among us, like myself, who are not prepared to accept the anthropomorphic conception of a personal divinity ought to admit . . . that the loss of these beliefs, whether true or false, creates great difficulties" (Hayek, p. 137).

The 1914 trapdoor

Weigel explains that in the Slavic view of history "history is driven, over the long haul by culture – by what men and women honor, cherish, and worship" (Weigel, 2005, p30). This view of history is actually "a classically Christian way of thinking about history" (Weigel, 2005, p32). Weigel finds a theme in Aleksandr Solzhenitzyn's 1983 Templeton Prize Lecture. In the lecture Solzhenitzyn traces back "Europe's rage of self-mutilation", that started with World War I, to the "mental eclipse among the leaders of Europe due to

their lost awareness of a Supreme Power above them" (Weigel, 2005, p33). Weigel argues that it "was only after 1991; when the seventy-seven-year political-military crisis that began in 1914 had ended, that the long term effects of *Europe's rage of self-mutilation* could come to the surface of history" (Weigel, 2005, p41).

Weigel points out that Solzhenitzyn is not the only one making this argument. Father Henri de Lubac in his book *Le drame de l'humanisme atheé* (1944) argues "that the civilizational crisis in which Europe found itself during World War II was the product of what he called atheistic humanism – the deliberate rejection of the God of the Bible, the God of Abraham, Isaac, Jacob and Jesus, in the name of authentic human liberation" (Weigel, 2005, p46). Weigel explains that Father de Lubac points to the obvious irony that the Old Testament God is a "liberating" God that empowers His people "to lead lives of dignity, through intelligence and free will". Weigel traces the root of Europe's crisis of civilizational morale to William of Ockam's nominalism; and the argument that "if there is no such thing as human nature, then there are no universal moral principles that can be read from human nature" (pg.83). Weigel arguest that the road that starts at Ockam leads to Nietzche's will to power (pg 85). One could also ague that if "God is dead" the road leads to the National Socialist Holocaust, to the Communists Gulag and to Europe's current crisis.

The Change in Rhetoric

In her book *Bourgeois Dignity and Liberty: Why Economics Can't Explain the Modern World* (2009) Professor Deirdre McCloskey argues that The Bourgeois Revolution of the 17th and 18th centuries that brought on the modern world was made possible by the "new dignity for the bourgeoisie in its dealings, and a new liberty for the bourgeoisie to innovate in economic affairs" (chap. 33, par. 5). "Without the two necessary, and large scale, conditions of dignity and liberty for the innovating class, we would have no modern world" (chap. 33, par. 6).

McCloskey points out that "dignity and liberty for the bourgeoisie was viewed as an outrageous absurdity, until the view suddenly changed in academic circles in Spain and in commercial circles in Holland and then in Britain and then (in all circles) in the United States" (chap. 33, par. 12). McCloskey argues that this change was in reality a change in rhetoric. "In the beginning was the word. Free innovation led by the bourgeoisie became at long last respectable. For instance, the merchants and machine makers and manufacturers in northwestern Europe were elevated for the first time to the rank of *gentlemen*" (chap. 32, par. 15).

McCloskey argues persuasively that "pro-innovation ideas of the elite caused the Industrial Revolution" (chap. 34, par. 18). She pinpoints the moment rhetoric changes course again; "Elite artistic and intellectual turned against innovation after 1848, first in nationalism and then in socialism, and then in national socialism, and finally in environmentalism" (chap. 34, par. 18).

"If the new rhetoric of innovation is what caused the modern world, then it is possible — not logically inevitable, but possible — that losing the ideology can lose the modern world." (chap. 34, par. 26). Recent polls show that "eight in nine people believe that free market capitalism is bad; it has failed and is not working for them any more" (Siddiqui, 2009, par. 2).

Conclusions

Ludwig von Mises, in his book *The Ultimate Foundation of Economic Science* (1962) states "the truth is that those fighting capitalism as a system contrary to the principles of morals and religion have uncritically and lightheartedly adopted all the economic teachings of the socialists and communists" (pp.38; in Hulsmann, 2007, pp.986). Further, as Weigel points out, "European man has convinced himself that in order to be modern and free, he must be radically secular" (pg.53). One may conclude that this modern

rejection of Christianity and its morals is also the rejection of the Bourgeois Revolution and the morals and values it shares with Christianity.

If, as McCloskey argues, it is the adoption of the Bourgeois values that made the Industrial Revolution possible; then *mutatis mutandis* the rejection of these same values is directly linked to Europe's current crisis. The new administration's adoption of a more European world view and it's associated change in rhetoric signal the difficulty America will have reversing out of the current looming crisis.

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