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## Book Reviews

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# Michael Novak crowns Adam Smith as the free market's patron saint

by Stanley Ezrol

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### **This Hemisphere of Liberty; A Philosophy of the Americas**

by Michael Novak

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The jacket cover of Michael Novak's *This Hemisphere of Liberty*, describes it as a statement of Novak's "sustained philosophical vision." Actually, it is an element in a sustained campaign of political and intellectual thuggery against those Ibero-American and Eastern European nationalist movements whose morality has been informed by the teachings of the Roman Catholic Church. As a Washington correspondent for *EIR* from 1981 to 1985, I had the opportunity to observe at closer range than most, the process which produced this book and the rest of Novak's literary output in the period of the Bush-Reagan administrations.

Novak holds the Roman Catholic franchise for what is known as the "neo-Conservative" movement. This movement is a tightly knit group of intelligence community operatives who trace their roots back to the Bukharinite wing of the Communist International. They played a crucial role in Hubert Humphrey's 1968 presidential campaign, but then associated themselves with the conservative movement which put Ronald Reagan in the White House in 1981. Prior to Reagan's inauguration, they formed several formal institutions, most notably the Committee for the Free World, in order to agitate for their agenda. Although he maintains a certain public distance from the neo-Conservatives, former Secretary of State Henry Kissinger is an intimate of this circle, who made the migration along with Novak, Evon and Jeane Kirkpatrick, Midge Decter, Norman Podhoretz, and Irving Kristol, from the Humphrey to the Reagan-Bush camp.

The neo-Conservatives campaigned to revive the Western intervention into the internal political affairs of underdeveloped and Eastern European nations in which the CIA had engaged, prior to the Church Committee revelations of the

1970s. This campaign succeeded with the official endorsement in 1982 by President Reagan of Project Democracy, which was designed to channel government funding and provide governmental authority to private organizations, most notably the international operations of the AFL-CIO, which would not be bound by the legal restrictions which apply to government action.

Their major foreign policy concern, which motivated their Project Democracy dirty tricks operation, was to establish what we now know as George Bush's "new world order." This order is a joint Anglo-American and Soviet tyranny to guarantee the survival of the financial structures characterized by the International Monetary Fund, through the impoverishment of the Third World. The danger faced by Project Democracy was that the nationalist currents of Ibero-America, Asia, and Eastern Europe, as well as the United States and Western Europe, and even the Reagan administration itself, might turn against the order under the influence of the complementary ideas of Lyndon LaRouche and Pope John Paul II.

### **Neither Smith, nor Marx**

The nature of this conflict is described by Lyndon LaRouche in these excerpts from his forthcoming book *The Science of Christian Economy*: "Today, three years after the great financial crash of 1987, and two years after my October 1988 Berlin address on impending German reunification, it is increasingly clear that the two formerly reigning economic dogmas of this planet, those of Adam Smith and Karl Marx, are being buried, perhaps forever, under an avalanche of post-industrial rubble and usury. Unless the specifically appropriate replacement for these two failed dogmas of yesterday is adopted soon, every part of this planet is to be judged now as already plunging into a New Dark Age, worse than that which crushed Europe, with nearly apocalyptic force, during the middle of the recent 14th century.

"Historically, to date, the closest approximation of a form of political-economy consistent with Christian principles is the so-called *mercantilist* form growing out of *Colbertisme* in France, and the far-reaching influence of Leibniz. This

outgrowth came to be known by the name given to it officially by U.S. Treasury Secretary Alexander Hamilton, 'the American System of Political-Economy.' This name came to be associated with the work of the U.S. economists Mathew and Henry Carey and of Germany's Friedrich List.

"The deadly adversaries of the so-called 'mercantilist,' or 'American' system, were the Anglo-French-Swiss known in the early 18th century as the 'Venetian Party.' This was the political faction allied against Leibniz and his friends, and allied with the first Duke of Marlborough, allied with the networks of Voltaire, with the Physiocrats, and with so-called 18th-century 'British liberalism' of Hugh Walpole, David Hume, Shelburne, Adam Smith, Jeremy Bentham, and Thomas Malthus generally. These Physiocrats and liberals were the chief guise for the pro-usury faction of that century.

"That issue of the 18th century is more efficiently understood by emphasizing that the liberals and *Illuminati* of Voltaire's 18th century were committed to a return to the model of a pagan imperial Rome. Hence we call them 'romantics.' These romantics were dedicated to the overthrow of Christianity for the purpose of advancing their *romantic imperial utopianism*. That is the root of the structures of sin in Western European and North American civilization today. These were then, and are still today both the pro-usury faction, and the utopian cultural form from which the present-day satanic 'New Age' utopianisms have sprung."

In the period of the Reagan-Bush administrations, LaRouche's leadership of the "American System" forces, has been characterized by his development of these two related policy initiatives. First, the scrapping of the financial structures associated with the IMF-World Bank in favor of international credit and tariff mechanisms which enable the underdeveloped world to develop the advanced technologies. This initiative was reflected in LaRouche's 1982 pamphlet *Operation Juárez*, written following discussions with Mexico's President José López Portillo, as well as in numerous other works. Secondly, LaRouche designed a ballistic missile defense program, based on new physical principles, which was ultimately reflected in Reagan's March 23, 1983 Strategic Defense Initiative proposal. The SDI, as LaRouche proposed it, would have been the scientific driving force behind a revival of the West's economies, and would have spearheaded a cultural warfare campaign which would permit the peaceful accommodation of the Communist bloc to these new arrangements. In fact, the threatened potential of SDI development was a decisive factor in the 1989-90 revolutions in Eastern Europe.

### **Flea market magic**

By contrast, Project Democracy supported what President Reagan called the "magic of the marketplace," in his June 1982 address to the British Parliament, in which he endorsed the neo-Conservatives' proposal.

Michael Novak, who in 1981 and 1982 served under his crony Jeane Kirkpatrick as the United States representative to the United Nations Human Rights Commission, played a special role for Project Democracy. I became aware of his special concern in 1984, when I was the only journalist invited by Novak to attend a series of private seminars he conducted at the American Enterprise Institute, on the subject of his assignment. The "problem" he presented to those seminars was that Project Democracy's task involved two areas, Latin America and Eastern Europe, whose culture and philosophy were dominated by Roman Catholicism. Unfortunately for Project Democracy, the Catholic emphasis on social justice, charity, and mercy, tended to come into conflict with the "free market" (or as LaRouche says, "flea market") teachings of Adam Smith. The task he assigned the seminar was to demonstrate that Adam Smith's philosophy is consistent with Catholic teaching. Those in attendance included leading Project Democracy operatives Penn Kemble of the Institute for Religion and Democracy, and John Lenczowski from the National Security Council's Soviet desk, as well as a number of right-wing Catholic ideologues. Several sessions were attended by the visiting French Social Democrat Jean-François Revel.

The intellectual fruits of these discussions are contained in *This Hemisphere*, but the seminars were not very fruitful, because the assigned task was impossible. The participants agreed that debt service from the underdeveloped world and Eastern Europe had to be maintained at all costs, and that the costs included the deepening poverty and misery of the populations involved, but they had agreed to prove that this was good for them, and therefore in the best traditions of Christian charity. Predictably, the sessions were a tangle of sophistry—words uttered without meaning. I vividly recall one session which ended with this statement from the elderly Jean-François Revel, who ponderously stretched out each word, "Development. Everybody is talking about development, but nobody is saying what does it mean, development." As the last syllable was still rumbling, everybody got up from the conference table to get the cocktails and canapés that concluded each session.

### **Nor Aristotle, nor von Hayek**

Novak's *This Hemisphere of Liberty* is a nauseatingly dishonest book, worth reading only as a demonstration that Novak's attempts to reconcile Catholic teaching with the brutality of Bush's economic policies are fraudulent. Novak baldly asserts that there exists something which his friend, the flea market economist Friedrich von Hayek, named the "Catholic Whig" tradition. Novak claims to be the scion of this tradition whose lineage he traces from the pagan philosopher Aristotle through St. Thomas Aquinas, through Adam Smith, the rabidly anti-Catholic propagandist for the drug-running British East India Company (though Novak neglects to mention these things about Smith), through what Novak calls the "Jesuits of Salamanca," through Pope Leo XIII's

1891 encyclical, *Rerum novarum*, and a variety of 20th-century Catholic and other philosophers.

Novak's method is to bury the few scant passages which partly reveal his actual philosophy under a hodgepodge of dropped historical names and concepts which are not actually described, in the hopes that by burying his ideas, which are actually Satanic, in Catholic names and tradition they will become Catholic-flavored or -scented. He early reveals his hope that his philosophy might sell in Latin America as long as it has a Catholic-flavored coating, with this passage:

"For many in Latin America, the smell of incense at the High Mass, the flickering candles and their smoke, the bells, the sonorous hymns, and the taste of the Lord's Body on the tongue convey a sensibility that is far thicker than that received in the bare white Puritan churches of New England."

He claims the support of the current Pope, saying, "Let me point to John Paul II as the pontiff who most deserves the name of Catholic Whig," but says nothing of the Vatican's recent attacks on the damage done by the excesses of the free market system. He also claims the support of St. Thomas Aquinas, and includes an 18-page appendix to demonstrate Aquinas's affinities for his views, but rather than quoting from Aquinas's extensive writings, he merely asserts his own views and claims Aquinas shared them. For instance, he claims, "Neither Aquinas nor Aristotle approved of Plato's image of the mind driving the passions as a charioteer drives his steeds. . . . The passions deserve to be heard, although not always to be followed." He "supports" this assertion, with a footnote that quotes the *Summa Theologica* stating the opposite: The passions "are covered by morality in so far as they are subject to the sway of reason and will."

Novak neglects to mention the Church's traditional abhorrence of usury, nor the fact that collection of usurious debt is the foundation of his and Project Democracy's foreign policy.

In fact, under his clumsy attempts at Catholic flavoring, Novak reveals that his support for Adam Smith is founded not on Catholic teaching, but on the Satanic idea that man is naturally and irreparably sinful. "Building an economy for saints anywhere on earth is useless. There are too few of them. The only realistic possibility is to build an economy for sinners—the only moral majority," he asserts, and, without any attempt to demonstrate the support of Church teaching for this view, claims that Adam Smith's economics based on the principle of unbridled greed, is the only workable economic system.

He claims throughout the book, that he and Adam Smith support the view that all wealth results from human creativity. This view, of course, is fundamental to the American System, and is embodied in the idea that man is created in the living image of God—*imago viva Dei*. The great monotheistic religions agree that the essence of man which is *imago viva Dei* is not his physical features, but his creative capacity which mirrors that of God, the Creator of the Universe. For

non-pagans, as this point is developed in Catholic teaching by Aquinas and later Nicolaus of Cusa, creativity is fully consistent with natural law, which is not frozen in form, but which is the subject of continuous creation. For Satanists, however, acts of creativity must be acts of rebellion against what is viewed as the oppressive quality of God's law. Novak shows which side he is on when he reveals what he means by "creativity," and what he sees as the Christian view of natural law. On creativity, he quotes G.K. Chesterton:

"For the mass of men the idea of artistic creation can only be expressed by an idea unpopular in present discussions—the idea of property. The average man cannot cut clay into the shape of a man; but he can cut earth into the shape of a garden. . . . The average man cannot paint the sunset whose colors he admires; but he can paint his own house with what color he chooses; and though he paints it pea green with pink spots, he is still an artist; because that is his choice. Property is merely the art of the democracy. It means that every man should have something that he can shape in his own image, as he is shaped in the image of Heaven."

On law, he quotes his neo-Conservative crony Irving Kristol, "both Islam and Judaism are religions of the Law, and Christianity is a religion that has repealed the Law." In fact, the "religion" which has attempted to repeal the law is Satanism, with its primary commandment, "Do what thou wilt." Christianity reaffirmed the supremacy of God's law of charity, over any particular temporal law, but never "repealed the Law" in general. Novak is baldly lying that Adam Smith's Satanic rule by greed is Christianity. The authority he cites in support of this lie is Irving Kristol, who, despite his claims, is no more Jewish than Novak, Aristotle, or Adam Smith are Catholic.

### **Project Democracy's Hernando de Soto**

Beyond economic generalities, it is impossible to determine from his book what Novak really supports. Readers of *EIR* will be familiar with the name Hernando de Soto, whom Novak names as one of his leading collaborators in Ibero-America. What Novak does not mention is that De Soto's organization, the Institute for Liberty and Democracy, is paid for by Project Democracy and U.S. Agency for International Development funds, and that De Soto has engineered the decision of Peru's government under President Alberto Fujimori to prioritize debt payments. The head of the World Health Organization has charged that the decision to pay debt rather than maintain Peru's clean water delivery system is the cause of the current devastating cholera epidemic (see *EIR*, April 19, "Hernando de Soto and His Institute's Mission: Organize Nazi Shock Troops").

If you study Novak's "philosophy," and get the impression that he often seems to be avoiding the truth, imagine how you would explain to someone that the highest expression of Christian charity is the deliberate perpetuation of a global cholera epidemic.