



Dr. Fred Schwarz

# The Schwarz Report



Dr. David Noebel

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## Is The President Really a Socialist?

by Peter Ferrara

President Obama says that income taxes must be raised on the rich because they don't pay their fair share. The indisputable facts from official government sources say otherwise.

The CBO reports, based on official IRS data, that in 2009 the top 1% of income earners paid 39% of all federal income taxes, *three times* their share of income at 13%. Yet, the middle 20% of income earners, the true middle class, paid just 2.7% of total federal income taxes on net that year, while earning 15% of income. That means the top 1% paid almost 15 times as much in federal income taxes as the entire middle 20%, even though the middle 20% earned more income.

Moreover, the official data, as reported by the CBO and the IRS, show that the bottom 40% of income earners, instead of paying some income taxes to support the federal government, were *paid* cash by the IRS equal to 10% of federal income taxes as a group on net.

Any normal person would say that such an income tax system is more than fair, or maybe that "the rich" pay more than their fair share. So why does President Obama keep saying that the rich do not pay their fair share? Is he ignorant? Wouldn't somebody in his Administration whisper to him that he is peddling nonsense?

The answer is that to President Obama this is still not fair because he is a Marxist. To a Marxist, the fact that the top 1% earn more income than the bottom 99% is not fair, no matter how they earn it, fairly or not. So it is not fair unless more is taken from the top 1% until they are left only with what they "need," as in any true communist system. Paying anything less is not their "fair" share. That is the only logical explanation of President Obama's rhetoric, and it is 100% consistent with his own published background.

Notice that Obama keeps saying that "the rich," a crass term implying low class social envy, don't "need" the Bush tax cuts. That is reminiscent of the fundamental Marxist principle, "From each according to his ability, to each according to his need."

Good tax policy is not guided by "need." It is guided by what is needed to establish the incentives to maximize economic growth. The middle class, working people, and the poor are benefited far more by economic growth than by redistribution. That is shown by the entire 20th century, where the standard of living of American workers increased by more than 7 times, through sustained, rapid economic growth.

But President Obama's tax policy of increasing all tax rates on savings and investment will work exactly contrary to such economic growth. It is savings and investment which creates jobs and increases productivity and wages. Under capitalism, capital and labor are complementary, not adversarial, exactly contrary to the misunderstanding of Marxists. More capital investment increases the demand for labor, bidding up wages to the level of worker productivity, which is enhanced by the capital investment.

Increasing marginal tax rates on savings and investment, however, will mean less of it, not more. That will mean fewer jobs, and lower wages, just as we have experienced so far under President Obama, with median household incomes (hello middle class) declining by 7.3% (a month's worth of wages) during his first term, even faster after the recession supposedly ended in 2009. That will only get worse in Obama's unearned second term, which can only be explained as "democracy failure" analogous to "market failure."

If the tax increases are limited to those who earn \$1 million or more, I don't know if that alone will be enough to create a recession, as I am certain would be the result with Obama's original policy of targeting couples making over \$250,000 a year, and singles making over \$200,000.

But there is so much in the Obama economic program that is contractionary. His second term promises enormous new regulatory burdens and barriers. The EPA is shutting down the coal industry, and Interior will join with it to sharply constrain oil production further, despite Obama's duplicitous campaign rhetoric taking credit for the production produced by the policies and efforts of others. I expect Obama's EPA to burden natural gas fracking until it goes the way of the coal industry as well, stealing new found prosperity for many Americans. All of this will sharply raise energy prices, which will be another effective tax on the economy.

Moreover, President Obama has said that a priority in his second term will be global warming, even though global temperatures have not been increasing for 16 years now, and the developing world led by Brazil, Russia, India, and China (the BRIC countries), which are contributing to "greenhouse gases" at a much greater accelerating rate than the US, have rejected sacrificing any slice of their economies to that ideological phantom. While even the Democrat Congress of Obama's first term failed to adopt "cap and trade," EPA is advancing with global warming regulations that will cost the economy trillions in still another effective tax.

Then there are the onrushing regulatory burdens of Obamacare, including the employer mandate, which will require all businesses with 50 employees or more to buy the most expensive health insurance available. That will be an effective tax on employment. As Obamacare forces up the cost of health insurance, that will be still another effective tax increase on all employers already providing health coverage. Hundreds of regulations still in the pipeline under the "Dodd-Frank" legislation are already forcing the financial sector to contract, and threaten the business and consumer credit essential to full recovery.

In addition, few are adequately considering the longer term contractionary effects of the Fed's current policy mischief. For years now, businesses and investments have been launched all over the country based on the near zero interest rates, and even below zero real rates, that Fed policies have perpetuated, along with the easy free money. When those rates inevitably rise back to normal, most likely after these Fed policies have resparked inflation, the basis for those businesses and investments will be gone, and many, if not most, will go into liquidation, which will be highly contractionary as well.

However, I am certain in any event that the Obama tax increases will result in less revenue rather than more. Obama has been proposing to increase the capital gains tax rate by 58% on the nation's job creators, investors,

and successful small businesses, counting his Obamacare tax increases that take effect on January 1 as well as the expiration of the Bush tax cuts. While his misleading talking points say there will be no tax increases for 97% of small businesses, that counts every Schedule C filed for every part time or hobby sole proprietorship, however marginal the earnings. The small businesses that would bear President Obama's originally proposed tax increases earn 91% of all small business income, and employ 54% of the total private sector US work force, as reported in *Investors Business Daily* on November 9.

Over the last 45 years, every time capital gains tax rates have been raised, revenues have fallen, and every time they have been cut, revenues have increased. The capital gains rate was raised 4 times from 1968 to 1975, climbing from 25% to 35%. The 25% rate produced real capital gains revenues in 1968 of \$40.6 billion in constant 2000 dollars. By 1975, at the higher rate, capital gains revenues had plummeted to \$19.6 billion in constant 2000 dollars, less than half as much.

After the capital gains rate was cut from 35% to 20% from 1978 to 1981, capital gains revenues had tripled by 1986 compared to 1978. Then the capital gains rate was raised by 40% in 1987 to 28%. By 1991, capital gains revenues had collapsed to \$34.4 billion, down from \$92.9 billion in 1986, in constant 2000 dollars adjusted for inflation.

Obama's capital gains tax increase next year will reduce capital gains revenues again as well.

Similarly, when President Bush slashed the income tax on corporate dividends, dividends paid soared, and revenues from taxation of those dividends soared along with them. With Obama's tax on dividends reversing that Bush tax cut, those revenue gains will also be reversed.

Finally, those earning over \$1 million are the most financially agile of all taxpayers. They can move, shelter, and transform income more easily than anyone else. Most likely, the number of American millionaires, or at least American taxpayers reporting a million in income, will plummet after the Obama tax increases, and so will income taxes paid by millionaires.

Of course, if the tax increases and other policies of Obamanomics push the economy back into recession, total federal revenues will decline rather than rise. Federal deficits and debt will soar further, along with unemployment and poverty, while jobs, wages, and incomes decline further. That is what happened the last time federal economic policy followed the preferred prescription of the Washington Establishment, and also adopted a package of tax increases, in return for chimerical spending reductions,

when George H.W. Bush was President.

Can such public policy malpractice make any sense? President Obama says it is “fair” in his redistributionist sense of fairness. But what is fair about fewer jobs, lower wages, and higher unemployment, poverty, federal deficits, and national debt, at the price of higher taxes, for anybody?

What is fair is a flat tax, where everyone pays the same tax rate, which is true equality. Under such a tax system, if you, dear reader, make 10 times what I do, then you pay 10 times what I do, not 20, 30 or 40 times, as advocated by so-called “progressives,” (a polite, Americanized term for Marxist). If President Obama wants Warren Buffett to pay the same tax rate as his Secretary, he can adopt that flat tax, and the economy will boom. But President Obama seems to think that the increased dependence of further recession best suits his political interests, and those of the Democrat Party, rather than the independence fostered by a booming economy. See what I mean by “democracy failure?”

—Forbes Online, December 20, 2012

## The Chinese Communist Party 2013

by James T. Areddy and James V. Grimadli

When the Communist Party elite gathered last month to anoint China’s new leaders, seven of the nation’s richest people occupied coveted seats in Beijing’s Great Hall of the People.

Wang Jianlin of Dalian Wanda Group, worth an estimated \$10.3 billion and the recent buyer of US cinema chain AMC Entertainment Holdings, took one of the chairs. So did Liang Wengen, with an estimated fortune of \$7.3 billion, whose construction-equipment maker Sany Heavy Industry Co. competes with Caterpillar Inc. Zhou Haijiang, a clothing mogul with an estimated \$1.3 billion family fortune, also had a seat. As members of the Communist Party Congress, all three had helped endorse the new leadership.

For years the Communist Party in China filled key political and state bodies with loyal servants: proletarian workers, pliant scholars, and military officers. Now the door is wide open to another group: millionaires and billionaires.

An analysis by *The Wall Street Journal*, using data

from Shanghai research firm Hurun Report, identified 160 of China’s 1,024 richest people, with a collective family net worth of \$221 billion, who were seated in the Communist Party Congress, the legislature and a prominent advisory group called the Chinese People’s Political Consultative Conference.

China’s legislature, called the National People’s Congress, may boast more very rich members than any other such body on earth. Seventy-five people with seats on the 3,000 member congress appear on Hurun Report’s 2012 list of the richest 1,024, which Hurun says it calculates using public disclosures and estimates of asset values. The average net worth of those 75 people is more than \$1 billion.

By comparison, the collective wealth of all 535 members of the US Congress was between \$1.8 billion and \$6.5 billion in 2010, according to the most recent analysis of lawmakers’ asset disclosures by the nonpartisan Center for Responsive Politics.

China has been grappling of late with political and social tension over its murky policy-making process and its growing income disparity. The party has been especially sensitive this year during the leadership change about revelations about fortunes amassed by the offspring of political leaders, known as “princelings,” by leaders of state businesses and by other politically connected people. Many ordinary Chinese blame high prices, poor quality food, and pollution on *guanshang guojie*—meaning, roughly, officials in bed with businessmen.

As political families move into business, private tycoons are entering the political sphere—although precisely what is driving that isn’t clear. Other Chinese business leaders have cultivated relationships with party chiefs without entering politics themselves. But the *Journal’s* analysis showed that people appearing on Hurun’s rich list who also served in the legislature increased their wealth more quickly than the average member of the list.

Seventy-five people who appeared on the rich list from 2007 to 2012 served in China’s legislature during that period. Their fortunes grew by 81%, on average, during that period, according to Hurun. The 324 list members with no national political positions over that period saw their wealth grow by 47%, on average, according to an analysis the firm ran for the *Journal*.

It is difficult to pinpoint precisely how holding political positions advances the business interests of the wealthy, if at all. They may do better because of their political positions, or, conversely, they may owe their positions to their business success. There are a multitude

of reasons for Chinese companies to be on good terms with political leaders. Chinese companies routinely do business with the government, borrow money from state banks, even negotiate their tax bills with local authorities.

The business card of Mr. Zhou, the 46-year-old president of family owned Hongdou Group Co., lists 10 political positions. The clothing magnate said in an interview that his political positions give him opportunities to mix with “diverse elites”—businessmen, politicians, and military officers.

“It makes me feel good to participate in this kind of exclusive group,” he said. Every time he gets a chance, he said, he prods state leaders to cut taxes, noting that he personally pressed Premier Wen Jiabao to extend technology tax breaks to firms building brands. It is unclear whether such tax breaks were extended.

In the days of Chairman Mao Zedong, capitalists were considered enemies of the state. Some business owners were persecuted and most enterprises became government property.

That changed in the 1980s and in the early 1990s when paramount leader Deng Xiaoping was said to have declared that “to get rich is glorious.” A 2002 constitutional amendment established that the Communist Party henceforth would consider valid the contributions of private enterprise, therefore providing a place for private entrepreneurs in the party system.

These days even lesser-known multimillionaires such as property developer Shi Yingwen of Guangxi Ronghe Co., shirt magnate Li Rucheng of Youngor Group Co., and wig queen Zheng Youquan of Henan Rebecca Hair Products Inc. match Chinese mayors and generals in political rank. Self-made men and women serve in the legislature alongside party-appointed chairmen of state oil companies and banks.

China’s National People’s Congress bears little resemblance to its US counterpart. Legislators aren’t popularly elected but are nominated by party institutions, which sometimes vote internally on nominees. Small groups of legislators write laws in consultation with top party officials. The broader legislature invariably passes them.

Political analysts sometimes describe China’s legislative seats as ceremonial because of the limited power of officeholders. Nevertheless, Dow Jones Watchlist, a

sister publication of the *Journal* that provides financial institutions with a global database of government officials, characterizes more than 150 people on Hurun’s Rich List as “politically exposed persons” under international standards. Global anti-money-laundering conventions call on international banks to scrutinize transactions involving such individuals, their families and close associates.

Hongdou Group’s Mr. Zhou was invited into the party congress before his father retired from the legislature in 2008. Over the past 30 years, his family has gobbled up farmland near Wuxi to expand the company. The facilities now include more than 100 Hongdou-owned factories, including one of Asia’s biggest suit factories—and a hall honoring Communist leaders.

Hongdou was the first private company in China to win approval to launch a financing arm, and top party officials have supported its industrial push into Cambodia. Party leaders have adorned Zhongnanhai, the party’s Beijing leadership compound, with trees from Hongdou’s horticultural division, bolstering its claims that the plants provide therapeutic benefits.

In conversation, Mr. Zhou drops the names of top leaders, including Premier Wen, incoming president Xi Jinping, and current President Hu Jintao. A quote from Mr. Wen adorns a full wall of Hongdou’s headquarters. Mr. Zhou says of his political activity: “I’m just trying to act as a representative for private entrepreneurs.”

Guo Guangchang, another member of the National People’s Congress, spent 20 years building China’s biggest private financial conglomerate, Shanghai-based Fosun Group. His fortune is estimated at \$2 billion.

In March, he met with Mr. Xi, who was named China’s next leader last month. He pressed for expanded protection in China’s courts for insurers, more government investments into private-equity firms, and increasing the scope of lending by nonbanks, according to a summary of his presentation on the company’s website. “Guo Guangchang expressed hope for more substantive initiatives in the liberalization of financial services and in reducing the tax burden of enterprises and individuals,” the website said.

Although it isn’t clear whether Mr. Guo’s efforts led to official changes, the fact that state media reported him airing views directly to Mr. Xi suggests that officials looked upon them favorably.

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 P.O. 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. Permission to reproduce materials from this Report is granted provided that the article and author are given along with our name and address.

Mr. Guo and more than a dozen politically connected business leaders contacted by the *Journal*, including those mentioned in this story, either declined to comment on their government posts or didn't respond to requests for comment. Questions about the political activities of the wealthy sent by the *Journal* to the National People's Congress and other Chinese government and party organizations elicited no response.

Beginning as a tailor's apprentice for his father in the 1970s, Gao Dekang built an apparel business and an estimated net worth of \$2.2 billion. He joined the National People's Congress in 2003. A year later, China's foreign ministry certified jackets made by his company, Bosideng International Holdings Ltd., as "national diplomatic gifts." Russia's Vladimir Putin was one of the foreign dignitaries to receive one.

Mr. Gao has hosted President Hu at his home, according to his authorized biography. Bosideng's latest annual report says the company received "unconditional government grants" of about \$3.9 million in the year ended March 31, which it said reflected its contributions to the development of local economies.

Chinese People's Political Consultative Conference, or CPPCC, is an advisory council to the Communist Party and the legislature. With about 2,200 members, it is intended to be representative of China's overall population, including those who don't belong to the party. In practice, its function is to support government initiatives.

The CPPCC is becoming more like a Chinese version the U.K.'s House of Lords—weaker than the British version but richer. Seventy-four members appeared on Hurun's rich list in 2012. The average wealth of those 74 was about \$1.45 billion.

In a recent interview with the *Journal*, one CPPCC member criticized the influx of business people, saying she had witnessed "shameless" appeals by CPPCC members to Mr. Xi, China's incoming president. At a small gathering in March, she said, a media tycoon and an infrastructure developer had pressed Mr. Xi to use his muscle to fix their business problems.

Member Chen Siqiang is the chief executive and controlling shareholder of New Oriental Energy & Chemical Corp., a fertilizer company based in Henan. In late 2010, the company, whose shares were then listed in the US on the Nasdaq Stock Market, faced a cash squeeze, according to a filing made to the Securities and Exchange Commission at that time. In the filing, Mr. Chen asserted: "I will also use my political influence as a member of the National Committee of CPPCC to coordinate with government agencies and financial institutions to enforce

government support."

About three months later, New Oriental announced the government in its home region had arranged \$3.3 million in new loans. Nasdaq delisted New Oriental in 2011 after its capital fell below required thresholds.

The way political appointments are made is a murky business in China, and the process can involve currying favor with more-senior officials. In recent years, prosecutors in China have accused various officials of bribing their way into government positions and have jailed some of them for such activity. None of the wealthy individuals named in this story has been accused of such activities.

A Shanghai-based consultant said in recent interviews with the *Journal* that securing an appointment can involve a sophisticated campaign. He said he had devised and executed a "five-year plan" to try to gain political positions for an Internet-game tycoon. "Most people think you just have to bribe them, but it is actually quite subtle," he said about efforts to persuade government officials.

In 2007, the consultant prepared a 14-page political primer for his client and mapped alliances between certain Beijing officials and the provincial government. The consultant said he added evidence to the company's website that it was a "good citizen" that paid taxes and donated money. He said he staged a fake Communist Party meeting at the company in order to take photos.

The consultant hosted a dinner for the assistant to a senior Beijing official. During a foot massage, he said, the secretary hinted that a modest Chinese painting in traditional style might make an acceptable gift to the boss. The consultant said he bought one for around \$3,000 and sent it anonymously to the official's assistant in Beijing. He mailed the certificate of authenticity separately to make it clear the gift was from his client.

His client was hoping to be appointed to the Communist Party Congress. In the end, he got a lesser post: a seat in a provincial CPPCC. But in the process, the consultant said, he got potentially valuable information about provincial government plans for an economic zone and technology subsidies, which the consultant claimed were worth more than the campaign's \$320,000 cost.

Mr. Zhou, the clothing magnate, concedes that some people buy their way into power but calls such episodes "isolated incidents." He says his fellow entrepreneurs are joining political bodies "to keep pace with the direction for the country's development. If what I'm doing complies with the government principles, then every government official will support me."

—*The Wall Street Journal*, Dec. 27, 2012, p. 1, 10

# Jesus is not a Liberal: Correcting the Christian Left, Part II

by Dr. Michael Bauman

Note: Part I of this article was published in the January issue of this publication which can be found at [www.schwarzreport.org](http://www.schwarzreport.org). Dr. Bauman is answering an article claiming that Jesus is a Liberal—point by point.

**“Crime and Punishment: If any one of you is without sin, let him be the first to cast a stone at her. [John 8:7] Do not judge, lest you too be judged. For in the same way you judge others, you will be judged and with the measure you use, it will be measured to you. [Matthew 7:1 & 2.]”**

Setting aside the textual challenges one might raise to the verse Riley quotes from John, one must challenge her designation of this passage as pertaining to “crime and punishment” rather than to “sin and punishment.” Not all sins are crimes; nor should they be. For better or worse, adultery is not a crime now the way it was in Jesus’ day. If it is not a crime, and Riley thinks it should be, then the punishment prescribed by the law for this crime must hold too, which means death, and which means her comment earlier on killing is out of court. If she wants the law’s prohibitions against adultery, but not its punishments, then she is unjustifiably arbitrary. She is picking just half of the package deal and tossing the rest blithely away. If she wishes adultery not to be a crime, then her designation of it as a crime is false.

So also is her application of this passage to the allegedly necessary sinlessness of critics and judges. Paul, you’ll recall, called himself “the chief of sinners” (1 Tim. 1:15). Yet, despite his self-confessed colossal evil, he often rebuked those who sinned, both Christians and non-Christians. In so doing, Paul was not transgressing the teachings of Jesus, which, in this case, were directed by Jesus at certain very specific accusers, those who brought this woman to Him. Do not make the mistake of thinking that every statement of Jesus is meant to be applied literally or to all times and all places. Sometimes they are; sometimes they are not. Sometimes Jesus is painfully specific; sometimes He is just as painfully universal. One way to tell which is which is to see how the apostles themselves understood Christ and applied His teaching. If your view makes the apostles wrong—and Riley’s does

just that with every apostle because every apostle was a sinner and every apostle was a rebuker as well—then you have misunderstood Christ’s intention. You and I are not Christ-chosen and Christ-trained apostles. They were. If your view makes them out to be wrong, then likely you are wrong yourself instead.

The judging here condemned is not to be confused with discernment, with assessing the spiritual condition of someone so that you might better deal with them in a prudent, honest, and more effective manner. You deal with others best by assessing as carefully as possible whether or not they are converts and whether or not they are converts in rebellion to God and to the fellowship of believers. If they are unconverted, you must deal with them in one way: “This is a non-Christian person. I must share with them the gospel of Christ.” If they are converts, you deal with them in another way: “This is a fellow believer, but one who has rebelled against God and has injured the church. I will not evangelize this person; I will counsel repentance and repair of life and fellowship.” To discern these different conditions and to deal with others on that basis is not to judge and is not here precluded. More specifically, to advise a Christian against homosexual activity is not to judge, but to discern and to counsel. To judge is to pass final and ultimate judgment upon them, to condemn them to Hell. Condemning them to Hell, not discerning their actual spiritual condition, is what is here prohibited.

Even if “to judge” meant here what Riley wrongly thinks it does, then she would need to spend a great deal of time correcting her liberal colleagues, who are quick to “judge” their conservative counterparts as greedy, selfish, racist, and homophobic. But then again she could not, because to do so would be to “judge.”

Nothing Jesus says here makes Him a liberal.

**“Justice: Blessed are they which do hunger and thirst after righteousness: for they shall be filled. [Matthew 5:6] Blessed are the merciful: for they shall obtain mercy [Matthew 5:7] But if ye forgive not men their trespasses, neither will your Father forgive your trespasses. [Matthew 6:15]”**

Again, Riley mis-designates the verses she quotes. To seek after righteousness and to find it is not a matter of justice (whether of the individual or the political variety), as she says it is. It is a matter of mercy and grace. To be merciful is to be what Jesus requires of His disciples. Mercy invites mercy. This text has nothing to do with individual justice, or with government, or with how governments ought to punish crime. It is not really a matter of justice at all, even though Riley so designates it. It is about mercy, though not government mercy.

Indeed, one must fear the government that does not punish evil, but that merely exercises “mercy.” Mercy is not the divinely designated function of government, as Paul indicates in Romans 13:1ff. This text has nothing at all to do with being a liberal, unless liberalism means that the state must be merciful to criminals rather than to be just. As a nation, we have, and ought to have, a system of justice, not mercy.

Nothing Jesus says here makes Him a liberal.

**“Corporate Greed and the Religion of Wealth: In the temple courts [Jesus] found men selling cattle, sheep and doves and others sitting at tables exchanging money. So he made a whip out of cords, and drove all from the temple area, both sheep and cattle; he scattered the coins of the money changers and overturned their tables. [John 2:14 & 15.] Watch out! Be on your guard against all kinds of greed; a man’s life does not consist in the abundance of his possessions. [Luke 12.15.] Truly, I say unto you, it will be hard for a rich man to enter the kingdom of heaven. [Matthew 19:23] You cannot serve both God and Money. [Matthew 6:24.]”**

Riley unjustifiably identifies what Jesus opposed here as “corporate greed,” which is both grossly false and naively anachronistic. Her designation says more about her than about what is happening in this text. Jesus is not fighting “corporate greed,” here, or even fighting greed at all. He is fighting against profaning the Temple because He has within Him a burning love for God’s house (John 2:17). Greed, much less “corporate greed,” is not in view.

Further, Riley seems not to notice the way in which this passage militates against her notion of peacemaking mentioned above. In response to the profanation of the Temple (and not to “corporate greed”), Jesus sat down and deliberately wound together a whip with His own hands. With this whip He violently cleared out the Temple, clearing it both of men and of beasts. In so doing, He was not making peace, and certainly not in the Riley style. Nor was He being merciful, which Riley also lionizes above; nor did He decide not to resist evil. He resisted it vigorously. If Riley reads these texts correctly, then Jesus breaks his own rules because He does not do with them what Riley thinks ought to be done. Either that or Riley misreads them. Unless Riley thinks that Jesus does not practice what He preaches, then she needs to rethink from the bottom up what she says about Jesus’ words and the way she interprets them.

Nothing Jesus says here makes Him a liberal.

**“Paying Taxes & Separation of Church & State: Render therefore unto Caesar the things which are**

**Caesar’s; and unto God the things that are God’s. [Matthew 22:21]”**

First, the separation of church and state is not in view when Jesus says to give to Caesar what is Caesar’s and to God what is God’s. Please recall that neither the ancient Romans nor the ancient Jews believed any such thing. To the Romans, Caesar was a god, and he required religious sacrifices from his subjects precisely because he was a god. To the ancient Romans, there was nothing like the modern American notion of the separation of church and state to which Riley alludes. The same holds for the ancient Jews, including Jesus. To the ancient Jews, Israel was a theocracy, one over which Yahweh was to be king and in which His laws were to reign supreme. To the Jews, the notion of the separation of church and state was unthinkable, just as it was to Jesus, a Jew. For Riley to classify this text as “the separation of church and state” is simply to do great violence to the text itself and to impose upon it alien categories and meanings.

Second, in light of the fact that the entire earth and all that is in it belongs to God, Riley needs to think more carefully about what Jesus means when He says to give to Caesar and to God what rightly belongs to each. If she asks herself what is God’s, and answers it correctly, and then if she asks herself what is left, and answers it correctly, then she will know better what is Caesar’s, what is not, and what Jesus means. Even Rome’s political power itself, and the putting to death of its citizens and inhabitants, including Jesus, belongs to God, not ultimately to Caesar (John 19:11).

Third, paying taxes is not evil. No sensible citizen thinks it is or that God prohibits it. But paying unjust taxes, or paying taxes for unjust purposes, such as slaughtering the young by abortion, is evil, enormously so. When she endorses paying taxes, the folks Riley seems to have in mind, the rich conservatives, pay far more taxes than anyone else in the nation. Nearly half of Americans pay no income tax at all. If paying taxes is required by this text—and the way she reads the command to give to Caesar what is his seems to demand it—then Riley needs to address the non-paying 50%, not the ones who do all the paying, the ones she seems to have in mind. And by what twisted logic are we to assume that our money, the money for which we ourselves sacrificed and worked, belongs to Caesar? If I am to give him what is actually his, then how does he have claim over my earnings and my income, as if it were his? Caesar didn’t make it.

Nothing Jesus says here makes Him a liberal.

—*Watch next month’s issue for the conclusion of this article.*

# Communist North Korea

by Marvin Olasky

Next July *WORLD* plans again to publish a list of 10 or so outstanding books from the previous 12 months. One of them is likely to be former *Wall Street Journal* editor Melanie Kirkpatrick's *Escape from North Korea: The Untold Story of Asia's Underground Railroad* (Encounter). With entrepreneurial reporting Kirkpatrick documents the ways desperate North Koreans are fleeing their country, although many die in the process or end up in concentration camps. Following is a Q and A between *WORLD* (in bold) and Kirkpatrick.

**In how many ways is North Korea a dark land? Let's start with electricity. A famous satellite image shows the Korean peninsula at night.** South Korea, half the peninsula, is filled with bright lights. North Korea has a bit of light around Pyongyang, the capital, but the rest is black.

**And North Koreans are in the dark about what's going on in the rest of the world?** North Korea is a truly sealed society. Every communist regime, every totalitarian regime, wants to control information, because knowledge is power. North Korea has taken that to a new extreme. You can't make a phone call outside the country, you can't send a letter—but because of the people who have escaped, stories have gotten into North Korea about the rest of the world, and people are beginning to wake up.

**Your subtitle, with the words "underground railroad," resonates powerfully in American history. What's the Asian underground railroad?** The underground railroad in Asia begins in northeast China near the border with North Korea. Some Christian rescuers in the late 1990s and early 2000s coined the term after deciding they wanted to model their rescue attempts on the underground railroad for escaping slaves in antebellum America. It's similar to the original underground railroad in its network of safe houses and secret transit routes that help people get across China.

**They can't escape south.** Because of the heavily fortified demilitarized zone that separates the two Koreas. So North Koreans go north to China, often hook up with a local Christian community, and eventually go all the way across China, usually to a southeast Asian country such as Thailand or Laos or Vietnam, sometimes north to Mongolia. They head to the South Korean embassy and ask for help.

**They have to cross a river to get to China, but that's not the main deterrent, right?** The real deterrent is the

North Korean border guards, who do not hesitate to shoot people in the back as they're crossing the border.

**What propels people to risk their lives trying to escape?** Some seek food: In the late 1990s about a tenth of the population died in a North Korean famine. A lot of people who get to China and see the relative freedoms offered to them there make the decision to go to South Korea. Others who leave are real defectors: They're carrying with them state secrets, or maybe are professionally trained and they want to get out.

**Do you have a sense of how many North Koreans escape in the course of a year?** In 1992, nine people reached South Korea. In 2002, the number was 153. Now it's about 3,000 a year.

**Any sense of what percentage of people who try to escape make it?** Impossible to tell. And China's policy is to track down North Koreans, arrest them, and send them back to North Korea, where they're treated very harshly. But, incredibly, people will escape several times before they finally reach the underground railroad and make it to safety.

**What's the first thing escapees to China look for?** Many people say the first thing they're told is, "Look for a building with a cross on it."

**The people who offer help are jeopardizing a lot.** It's against the law in China to help a North Korean—even giving somebody a meal is against the law—and the people willing to help them are Christians.

**Is it getting tougher under Kim Jong Un, North Korea's new dictator?** He has issued a crackdown order along the border. The word from my sources in South Korea and along the border is that fewer people are getting out.

**What can college students like those here at Patrick Henry College do?** Look at LINK—Liberty in North Korea—run out of Torrance, Calif. It's a secular group, but most of those in it are Christians and motivated to help because of their Christian beliefs. They raise awareness and they also have a program that aims to bring a hundred people out of China every year to safety.

**What should American policy be toward North Korea?** We need to bring the issue of human rights into our dealings with North Korea. Right now human rights issues, if they're raised, are totally subordinate to all the other issues. But think about the Soviet Union: We always made demands on human rights issues. We don't do the same with North Korea and I think we should. I also think our goal should be the bringing down of the Kim family regime and the peaceful unification of the Koreas under a free and democratic system.

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