Greedy Innkeeper or Generous Capitalist?

The Bible story of the virgin birth is at the center of much of the holiday cheer this time of the year. The book of Luke tells us Mary and Joseph traveled to Bethlehem because Caesar Augustus decreed a census should be taken. Mary gave birth after arriving in Bethlehem and placed baby Jesus in a manger because there was “no room for them in the inn.”

Over the centuries, people have come to believe that because Jesus was born in a stable, and not in a hotel room, Mary and Joseph must have been mistreated by a greedy innkeeper. This innkeeper only cared about profits and decided the young couple was not “worth” his best accommodations. We have heard this narrative of the Christmas story repeated many times in plays, skits, and sermons.

This narrative persists even though the Bible records no complaints at the time and there was apparently no charge for the use of the stable. It may be that the stable was the only place available. Bethlehem, like other small towns, was overflowing with people who were forced to return to their ancestral homes for the census - ordered by the Romans for the purpose of levying a tax.

If there was a problem, it was caused by the unintended consequences of government policy. But this source of the problem has been generally ignored in favor of a supposedly more palatable complaint: that capitalism and capitalists are greedy, uncaring, and maybe even evil.

But a different narrative makes even more sense. The innkeeper was generous to a fault – a hero even. He was overbooked, but he charitably offered his stable, a facility he built with unknowing foresight. The innkeeper was willing and able to offer this facility even as the government officials who ordered and administered the census slept in their own beds with little care for the well-being of those who had to travel regardless of their difficult life circumstances.

If you must find “evil” in either of these narratives, remember that evil is ultimately perpetrated by individuals, not the institutions in which they operate.

And this is why it’s important to favor economic and political systems that limit the use and abuse of power over others. In the story of baby Jesus, a government law that requires innkeepers to always have extra rooms, or to take in anyone who asks, would “fix” the problem.

But this new law would also have unintended consequences. Fewer investors would back hotels because the cost of complying with the regulation would reduce the return on that investment. A hotel big enough to handle the rare census would be way too big in normal times. Even a bed and breakfast would face the potential of being sued. There would be fewer hotel rooms, prices would rise, and innkeepers would once again be called greedy. And if history is our guide, government would then try to regulate prices.

This does not mean free markets are perfect or create utopia; they aren’t and they don’t. But, business can’t force you to buy a service or product. You have a choice – even if it’s not exactly what you want. And good business people try to make you happy in creative and industrious ways.

Government doesn’t always care. In fact, if you happen to live in North Korea or Cuba, and are not happy about the way things are going, you can’t leave. And just in case you try, armed guards will help you think things through.

This is why the framers of the US Constitution made sure there were “checks and balances” in the system of government authority. In all the budget negotiations we have witnessed lately, and all the negotiations still to come, we are seeing that system operate. So, too, with continued legal and political challenges to the health reform bill passed back in 2010.

Neither free market capitalism, or the checks and balances of the Constitution are the equivalent of having a true Savior. But they should give us all reason to believe that things won’t be as bad as so many seem to think they will be.

(If you think you’ve read this before, you’re right! We have published this same Monday Morning Outlook during Christmas week, each year, since 2009.)