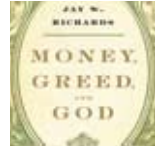
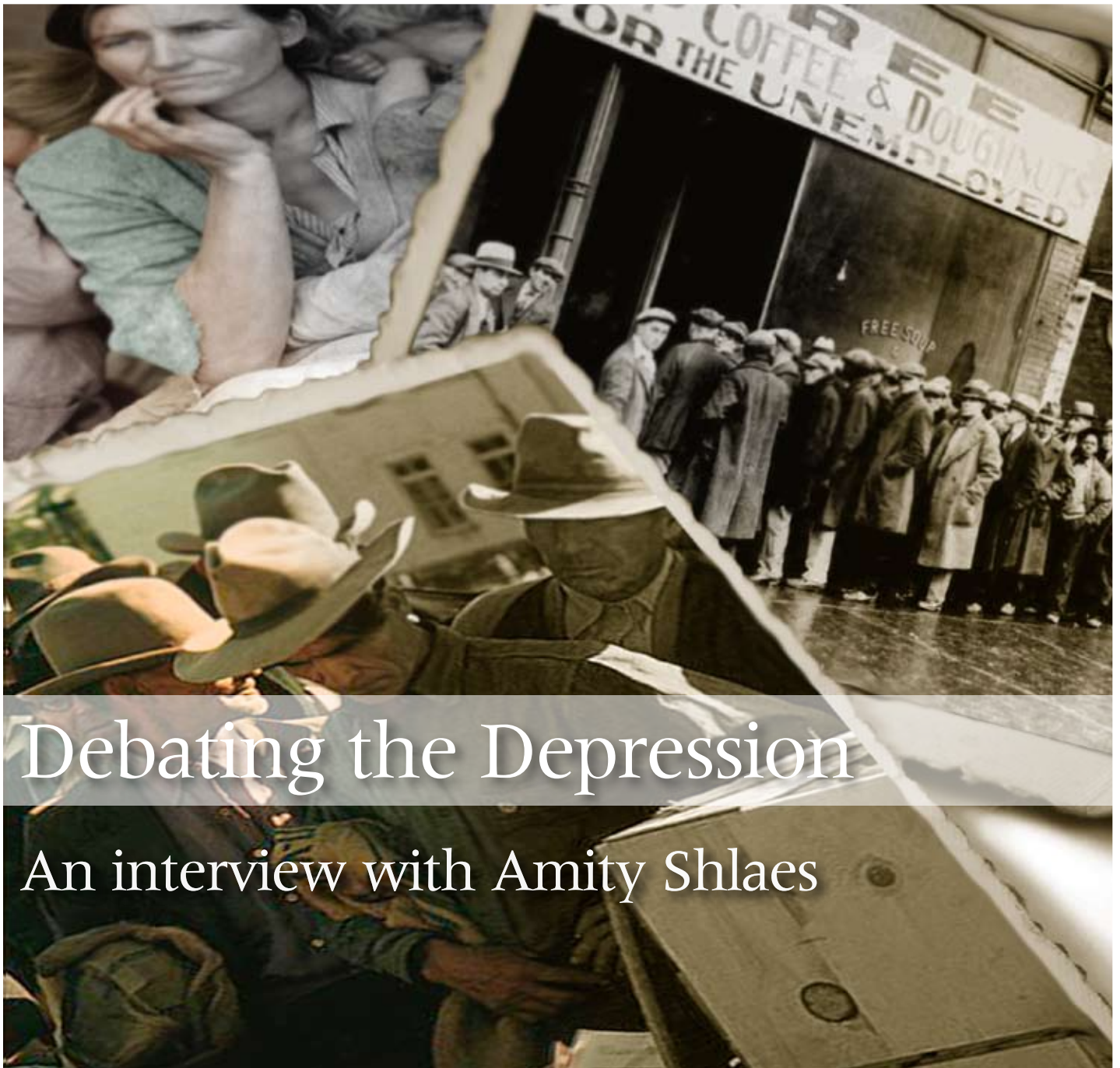


Religion & Liberty

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Debating the Depression

An interview with Amity Shlaes

Editor's Note



Our lead interview with author Amity Shlaes about the Great Depression and its various interpreters has obvious parallels to the often heated debate about what has caused the financial crisis of 2008-09. In *The Forgotten Man*, a superb examination of the history of the Depression and the mythologies that have grown up around it, Shlaes makes important connections for us. In speaking of the “forgotten man” she says, “Our own children and grandchildren are forgotten men because they will pay the taxes in the future that will result from our over expansion today.”

Executive editor John Couretas contributes a review of two books about Byzantium, an often forgotten empire by those

in the West. He takes a look at *The Oxford Handbook of Byzantine Studies* which has multiple editors, and *Byzantium: The Surprising Life of a Medieval Empire* by Judith Herrin. In reviewing these works, Couretas adds valuable insight to Byzantium’s importance and compliments Herrin’s work by saying, [she] “sheds light on an amazing European culture that for too long in the West has been cast into the shadowy recesses of history.”

Dr. Jay Richards has penned an important and very readable defense of the free market for Christians with his new book *Money, Greed, and God*. Our managing editor Ray Nothstine has written an analysis of Richards’s book that highlights so many essential defenses of the free market, especially when compared to other economic structures. Nothstine makes the point that “the overarching strength of Richards’s work is how he places the free-market message into the context of Christian discussions and debate.” This is indeed important because there is a desperate need for an even greater moral framework to our markets and our businesses, given some of the

causes of the financial crisis. In fact, all of society needs a greater measure of moral clarity and strength.

The health care reform debate in the United States is understandably making headlines, and for some it even serves as an inspiration for getting involved in the democratic process. It is appropriate that we offer an excellent excerpt from Dr. Donald P. Condit’s new Acton monograph titled, *A Christian Prescription for Health Care Reform*. Dr. Condit is an orthopedic surgeon in Grand Rapids, Michigan.

Lastly we have two discussions about Pope Benedict’s encyclical *Caritas in Veritate*. Dr. Samuel Gregg and Rev. Robert Sirico offer their thoughts on an encyclical that speaks to the very importance of morality and ethics in the market.

Father Raymond

A Note to readers and librarians: With this issue, we bring the issue numbering current to Fall 2009 | Volume 19 | Number 4. There have been no intervening issues since Summer 2008 | Volume 18 | Number 3.

Editorial Board

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Debating the Depression:

An Interview with Amity Shlaes

Amity Shlaes is a syndicated columnist for Bloomberg and a senior fellow at the Council on Foreign Relations. She has also written for the Financial Times and The Wall Street Journal, where she was an editorial board member. Her most recent book, The Forgotten Man, is a New York Times National Bestseller. Amity Shlaes is currently working on a biography of Calvin Coolidge and her book about the 1960s titled The Silent Majority will be available in August of 2010. She recently spoke with Religion & Liberty's managing editor Ray Nothstine.

Your book, The Forgotten Man, has played a major role in challenging the consensus about the New Deal that prevails in the academy and in popular culture. I'm interested in what motivated you to write the book.

We grew up with various versions of the 1930s. One version was that Franklin Delano Roosevelt took office and made it better. That Roosevelt cured the depression, in essence. A less simple version was: Roosevelt didn't cure our economic ailment in the 1930s, but that didn't matter

because he gave us back our confidence. Another version said the Depression was caused by monetary problems and the rest doesn't matter. That the Depression was about monetary problems the way the play Hamlet is about a Prince—there's no play without the prince. That's the version that markets-oriented people grew up with, following Milton Friedman. I'm not sure if Friedman over the course of his life meant the message to be quite so exclusive of other factors, but that was the message as it was received.

When I was working on the editorial page of *The Wall Street Journal*, I thought maybe

because he gave us back our confidence. Another version said the Depression was caused by monetary problems and the rest doesn't matter. That the Depression was about monetary problems the way the play Hamlet is about a Prince—there's no play without the prince. That's the version that markets-oriented people grew up with, following Milton Friedman. I'm not sure if Friedman over the course of his life meant the message to be quite so exclusive of other factors, but that was the message as it was received.



Amity Shlaes in Brooklyn.

“...we were becoming a culture where we believed in eternal prosperity, and that couldn't last.”

I should look into this more because lots of things happened in the 1930s, in addition to monetary events. Writing editorials or columns as I did later, you bump into these edifices—The Wagner Act, the U.S. Securities and Exchange Commis-

In The Forgotten Man, you talk about the Depression within the Depression, especially in the years of 1937 and 1938. What happened?

The Forgotten Man starts with the story of a boy named William Troeller who hangs

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Review: How the Byzantines Saved Europe

By John Couretas

The Oxford Handbook of Byzantine Studies. Edited by Elizabeth Jeffreys, John Haldon, Robin Cormack. Oxford University Press (2008)

Byzantium: The Surprising Life of a Medieval Empire by Judith Herrin. Princeton University Press (2008)

Ask the average college student to identify the 1,100 year old empire that was, at various points in its history, the political, commercial, artistic, and ecclesiastical center of Europe and, indeed, was responsible for the very survival and flourishing of what we know today as Europe, and you're not likely to get the correct answer: Byzantium.

The reasons for this are manifold but not least is that as Western Europe came into its own in the later Middle Ages and Renaissance, Byzantium gradually succumbed piecemeal to the constant conquering pressure of Ottomans and Arabs. When Constantinople finally fell in 1453 (two years after the birth of the Genoese Christopher Columbus), Europe, now cut off from many land routes to Asian trade, was already looking West and South in anticipation of the age of exploration and colonization. Byzantium and the Christian East would fall under Muslim domination and dhimmitude for centuries, and its history would fade away before the disinterest, or

ignorance, of the West.

This "condemnation to oblivion" as the editors of *The Oxford Handbook of Byzantine Studies*, describe it, is "no longer quite so true as it once was." New exhibitions of Byzantine art in Europe and America have been hugely successful in recent years, and travel to cities with Byzantine landmarks and archeological sites in Greece, Turkey, and the Balkans is easier than ever. Academic centers throughout western Europe and the United States host Byzantine Studies departments, scholarly journals proliferate, and a new generation of scholars has elevated the field from what once was a narrow specialty.

The Oxford Handbook of Byzantine Studies is a useful, one volume reference work that would well serve both the scholar and general reader with an interest in Byzantine culture. The editors have prefaced the volume with a detailed assessment of the Discipline, the state of scholarly learning on everything from art history to weights and measures. Other sections examine Landscape, Land Use, and the Environment; Institutions and Relationships (including the economy); and The World Around Byzantium. Each of the nearly two dozen subheadings include concise chapters with references and suggestions for further readings.

For those interested in the economic life of Byzantium, the *Handbook* offers an

account in *Towns and Cities* that describes agricultural, commercial, and industrial activity, and charts a decline in these areas during periodic invasions by various waves of Slav, Avar, Persian, and Ottoman peoples, or bouts of the plague. Where political and military fortunes turned favorable, as in the eighth and ninth centuries, economic life enjoyed a parallel revival. Regional cities became economic centers, places like Thessalonike, Thebes (silk textiles) and Corinth, where glass, pottery, metals and textiles were produced. In his chapter on the Economy, Alan Harvey relates how Constantinople, in the twelfth century, "was clearly a bustling city with a wide range of skilled craftsmen, merchants, artisans, petty traders. There was also a transient population of various nationalities, in addition to the more settled presence of Italian merchants."

And, because it was a Christian empire, the *Handbook* has a lot to say about the Byzantine Church, its relations with the Empire, and its developing rivalry with Rome, especially as the papal reform movement took hold in the eleventh century. The Emperor and Court chapter in the *Handbook* should also go some way toward a better understanding of "late ancient state formation," a subject the editors say has received "remarkably little attention" by historians and political theorists.

Writing in the *Handbook's* summary chapter, Cyril Mango catalogs the achievements of Byzantium but also adds that historians have not “credited [the empire] with any advance in science, philosophy, political theory, or having produced a great literature.” Maybe the Byzantines had other ambitions. James Howard-Johnston asserts that the “ultimate rationale” of Byzantium’s existence was its “Christian imperial mission.”

That conviction, widely shared in a thoroughly Orthodox society, was the shaping influence on its foreign policy. It provides the basic, underlying reason for Byzantium’s tenacious longevity, for its stubborn resistance in the opening confrontation with Islam, and, even more extraordinary, for the resilience shown in the last three and half centuries of decline.

For the general reader, perhaps a better place to begin to illuminate the “black hole” of Byzantine history is Judith Herrin’s fine book, *Byzantium: The Surprising Life of a Medieval Empire*. A senior research fellow in Byzantine Studies at King’s College London, Herrin sets out to trace the period’s “most significant high points as clearly and compellingly as I can; to reveal the structures and mentalities which sustained it.” Her aim is to help the reader understand “how the modern western world, which developed from Europe, could not have existed had it not been shielded and inspired by what happened further to the east in Byzantium. The Muslim world is also an important element of this history, as is the love-hate relationship between Christendom and Islam.”

Byzantium’s ability to conquer, Herrin writes, and “above all, to defend itself and its magnificent capital was to shield the northwestern world of the Mediterranean during the chaotic but creative period that followed the collapse of the Roman Empire in the West.

Without Byzantium there would have been no Europe.”

Her organizational scheme begins with Foundations in Byzantium, which looks at the cultural roots in the East Roman Empire (indeed, citizens down to the end routinely referred to themselves as Romans or Orthodox Christians, never Byzantines). This section also includes discussions of Greek Orthodoxy, religious architecture and art (including Hagia Sophia and Ravenna) and Roman Law. The other main sections of Herrin’s book examine the transition to and establishment of a Medieval period, when the great theological battle with iconoclasts was waged and the missionary work to the Slavic peoples by Sts. Cyril and Methodius was

“...far from being passive, Byzantium was active, surprising and creative, as it reworked its prized traditions and heritage.”

accomplished. She ends with the tragic sacking and desecration of Constantinople and its churches by Latin crusaders in 1204, the last desperate attempts by Constantinople to enlist the aid of Rome and western nobles as the Ottomans slowly tightened the noose around the empire, and the fall of the Queen City in 1453.

Herrin has a particular gift for the personal anecdote and psychological insight, as when she is writing about court intrigues, the institution of being “born in the purple,” and Byzantine women, including the remarkable

twelfth century princess Anna Komnene. Her *Alexiad*, an account of the reign of her father the emperor Alexios I Komnenos composed in classical Attic Greek, was a significant work of history. “No other medieval woman, East or West, had the vision, confidence and capacity to realize and equally ambitious project,” Herrin writes.

Readers interested in the soundness of money — a problem that has been around as long as there has been money, it seems — will take note of the lasting value that the Byzantine gold coin, known as the “bezant” in the West, famously retained among traders for centuries. This reputation for value remained even after a devaluation in the eleventh century. In the sixth century, a Byzantine merchant noted that “there is another mark of power among the Romans, which God has given them, I mean that every nation conducts its commerce with their nomisma [gold coin], which is acceptable in every place from one end of the earth to the other ... In no other nations does such a thing exist.”

As she concludes, Herrin reveals that she hoped to show that “far from being passive, Byzantium was active, surprising and creative, as it reworked its prized traditions and heritage. It bequeathed to the world an imperial system of government built upon a trained, civilian administration and tax system; a legal structure based on Roman law; a unique curriculum of secular education that preserved much of the classical, pagan learning; orthodox theology, artistic expression and spiritual traditions enshrined in the Greek Church; and coronation and court rituals that had many imitators.”

She succeeds and, in doing so, sheds light on an amazing European culture that for too long in the West has been cast into the shadowy recesses of history.



Doing Justice – Benedict’s Way

By Dr. Samuel Gregg

As the squabbling continues over various policy suggestions contained in Benedict XVI’s *Caritas in veritate*, there’s a risk that the deeper theological themes of the text will be overlooked. It’s also possible some of the wider implications for the Catholic Church’s own self-understanding and the way it consequently approaches questions of justice will be neglected. For historical perspective, we should recall that before, during, and after the Second Vatican Council there was—and remains—an intense theological debate within the Catholic Church about, firstly, how it renews itself in order to spread the Good News more efficaciously; and secondly, what this means for the church’s engagement with modernity.

Putting the matter somewhat simplistically, one group of twentieth-century Catholic theologians—including Henri de Lubac, S.J., Hans Urs von Balthasar, Jean Danielou, S.J., and Jorge Medina Estévez—maintained that the church could only authentically renew itself by going back to the basic sources of Christian inspiration: most notably the Sacred Scriptures, Tradition, and the Church Fathers. Though they thought the church should speak to the modern world about, for example, justice issues, and were not disinterested in the insights offered, for example, by modern sciences such as economics, they were also convinced that unless the Catholic Church spoke in distinctly Christian terms, the uniqueness of Christ’s message would be lost.

Another cluster of theologians, however, had a different starting point. They argued

that church renewal meant looking to the modern world for guidance. It included figures such as Edward Schillebeeckx, O.P., and Hans Küng. On one level, they were concerned with making the Christian message comprehensible to self-consciously “modern” people. But most eventually went further and argued that the modern world itself contained the hermeneutic for how Christians should engage the earthly city, and even defined what it meant to be Christian.

The problem with the second approach is that it quickly degenerates into a set of circular propositions such as the following: the modern world (as defined by, for example, Hans Küng) says that equality à la John Rawls or Karl Marx is the content of justice; the modern world defines Christian self-understanding; therefore the Christian concern for justice should be Rawlsian or Marxist in nature. In this schema of reasoning, there’s no obvious way of testing whether a particular modern proposition accords with divine revelation because the modern world itself is regarded as summarizing the content of revelation. Thus whatever is considered to be modern—and whoever sets himself up as defining the content of modernity—becomes the arbiter of what is and is not Christian.

The manner in which this facilitates an emptying out of the Christian message and its replacement by whatever happens to be the fashionable nostrums of the zeitgeist was especially evident with the now intellectually exhausted liberation theologies.

Since—or so said the liberation theologians—Marxism was the most sophisticated modern method of interpretation, Christian revelation had to be reinterpreted through a Marxist lens.

Sacred Scripture, Tradition, and the Church Fathers, Benedict writes, tell us that Jesus Christ reveals himself simultaneously as *Agápe* and *Lógos*. He is not Thomas Hobbes’s state of nature, Adam Smith’s invisible hand, Karl Marx’s dialectical materialism, James Lovelock’s Gaia, or John Rawls’s veil of ignorance. However much one might admire or despise such thinkers, it follows that the Christian concern for justice must bring the biblical understanding of love and truth to bear upon such questions. Christian truth demands that in addressing justice questions, we realize—like St. Augustine—that what fallen humanity can achieve “is always less than we might wish.” Moreover, while justice is “an integral part of the love ‘in deed and in truth’” of which St. John writes, Christian love demands we go beyond the demands of strict justice. Though, as Benedict writes, “charity demands justice”, it also “transcends justice and completes it in the logic of giving and forgiving.”

Justice delinked from truth becomes subject to the whim of the fashionable and the tyranny of the strong. Justice delinked from love darkens our ability to see the one whom we help as truly our flesh-and-blood neighbor. For Benedict, these are key Christian insights that ought to color the Christian approach to justice.



A Christian Perspective for Health Care Reform

By Dr. Donald P. Condit

This article is excerpted from the new Acton Institute monograph, A Prescription for Health Care Reform.

How should health care in the United States be reformed? The principles of social justice outlined in Catholic social teaching can be considered by all those of good will as guidelines for ethical health care reform. Those principles, are the dignity of the human person, the common good, solidarity, and subsidiarity. These four social-justice principles provide a foundation for a virtuous and economically sound improvement in medical resource allocation; a Christian prescription for health care reform.

It is clear that we have a duty to improve access, affordability, and quality of care for all citizens because of their human dignity. Frequently missing from the discussion of health care reform is the role of personal responsibility. Pope Benedict XVI has emphasized the point: "In the name of freedom, there has to be a correlation between rights and duties, by which every person is called to assume responsibility for his or her choices."

Behavior and responsibility for the consequences of personal health choices need to be linked for significant health care reform. If patients participated more directly, at the point of service, in paying for their care or for their medical insurance, medical resource consumption would diminish. More health care resources could be used for prevention of disease than

spent on chronic illness associated with modifiable risk factors. The 38 percent of American deaths caused by the behaviors of smoking, diet, physical inactivity, and alcohol use could be mitigated. Patients with stronger incentives to stay healthy could decrease expenditures associated with smoking, obesity, diet controlled diabetes, atherosclerotic heart and peripheral vessel disease, strokes, alcoholism, and osteoporosis, to name a few. Two-thirds of Americans are overweight, which directly correlates with chronic disease and increased health care spending.

Christ's teachings on justice did not omit discussion of personal responsibility. "He will repay all according to his conduct" (Matt. 16:27). Contemporary platforms for health care reform can neither neglect nor discount personal behavior and accountability.

Patients' paying for health care at the point of service are more prudent purchasers of health care than those perceiving health care benefits as an entitlement. They would spend less on health care if they took better care of themselves for modifiable conditions. They seek to be more informed and ask more questions about quality, outcomes, and cost. Furthermore, as consumers, they are more motivated to negotiate regarding costs of elective treatment decisions. Medical inflation would improve. Patients' directly paying insurance premiums, rather than indirectly through foregone wages or by taxes, would lead to stronger demands

and competition for quality of service from insurance companies.

The Medicare Trust Fund is expected to become insolvent by 2019. Medicare patients are going to have to bear more financial responsibility for their health care decisions, particularly for elective procedures. Presently, physicians and hospitals rarely are asked about the cost of care by patients and families when they expect insurance to cover their bills. Definitions of extraordinary care could consider financial expenditure. Medical resources are not unlimited. Less futile end-of-life spending could potentially increase resource availability for more preventative and basic care, while at the same time promoting greater respect for human dignity. This is an area in which the Church's teaching offers invaluable guidance. Cases of withholding ordinary care have rightly garnered national attention and provoked outrage, but it is also true that the technological extension of life by extraordinary means can absorb significant resources without enhancing the prospects for a dignified and natural death.

The affluent elderly could bear more financial burden for their health care. The established social contract where workers' taxes provide for medical expenses of those over sixty-five has to be reconsidered given demographic changes as well as advances in expensive technology and specialty care. Fewer workers are paying taxes to support the ever expanding percentage of the population that is retired.

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Some argue that medical care demand is inelastic; the quantity of care demanded is not sufficiently influenced by prices, and increasing consumer responsibility for payment will not curb health care spending. However, much of health care is not emergent. Many patients are sophisticated enough to become informed health care consumers, as they are for other goods and services. Primary care physicians can assist their patients and families in cost-conscious decision-making, in addition to encouraging lifestyle and diet changes that can have tremendous impact on preventable or modifiable chronic disease. There is opportunity for a more just allocation of the two trillion dollars spent annually on health care in the United States. Half of the United States population spends very little on health care, while 5 percent of the population spends almost half of the total amount. The RAND Health Insurance Experiment, completed in 1982, identified considerable price elasticity, wherein some personal financial responsibility for health care did not significantly affect quality of care.

What if consumers choose not to purchase, or cannot afford, health insurance? Should someone be denied care because they cannot pay? It is reasonable to seek to agree on primary care services or basic safety-net coverage that might be provided to all citizens; for example, children's health, pregnancy care, and emergent and urgent conditions. Market forces would identify fundamentally desired health care service more effectively than committees or bureaucracies. Furthermore, incentives need to be created to encourage patients to avoid emergency rooms for non urgent conditions. As a society, we cannot turn our backs on the indigent. However, unlimited procedures and treatments are not possible. Patient participation in the cost of their care, even a small percentage, is a more just situation than abdicating total control of payment and what is provided, or denied, to a third party. Human dignity is promoted by reforms respecting both duties to others and personal responsibility.

Why is the Acton Institute Partnering with the Stewardship Council?

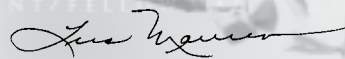
Following the successful production of Acton Institute's *Effective Stewardship* curriculum, and with an eye to the launch of Zondervan's *NIV Stewardship Bible* in the fall of 2009, we have formed a close partnership with the Stewardship Council, a five-year-old nonprofit that was established as an outreach to the broader evangelical community. The Stewardship Council is a natural partner for the work that Acton has been doing now for almost twenty years.

The Stewardship Council, a leader in the development and delivery of stewardship content and resources, will share office space with Acton in Grand Rapids, Michigan. The council is no stranger to us. It has, for much of the last four years, partnered with Acton in the research, writing, and editing of the *Stewardship Bible*, which will be one of the major publishing events in the Christian book world in 2009-10. The third *informal* member of this partnership is, of course, Zondervan, the world's largest Christian publisher. Because of the vast marketing and distribution network built by Zondervan, Acton and the Stewardship Council will now be able to reach audiences worldwide in a way that would have been undreamed of previously.

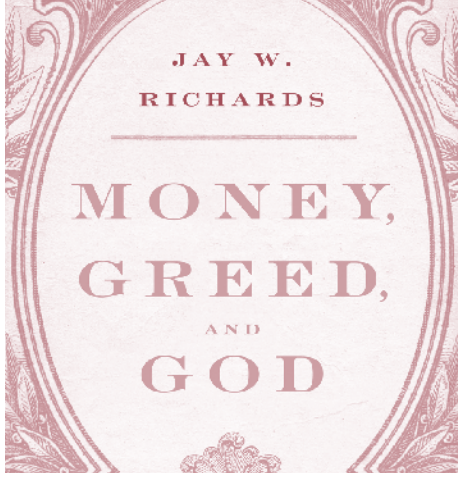
A next step in the Acton-Stewardship Council partnership is to create a digital learning hub to creatively deliver transformational content on stewardship and sound economics from a Christian worldview. This medium will be well received, we think, because it's personal and offers a measure of confidentiality. Pastors and local church leaders often find the financial aspects of stewardship to be difficult to teach because financial matters are sensitive and, let's face it, often appear complex to pastors trained in theology rather than finance.

Overall, the goal is to work creatively with and through local churches—seriously involving pastors, leadership, and congregants—to provide a sound, engaging, and dynamic way to build community around the core process of giving from a Christian worldview. Given the current economic and moral climate of the world, everyday issues of personal stewardship are at the forefront of our culture. Anything we can do to equip people for responsible and thoughtful management of God's resources is essential for the health of the local church and spiritual growth of its congregants.

The partnership of the Acton Institute and the Stewardship Council will create new opportunities to reach church leaders and offer existing resources and educational programs such as Acton University and our Free and Virtuous Society conferences. Partnering with the Stewardship Council allows Acton to fill a void and reach a substantially new community. That's a good thing not just for Acton and the Stewardship Council, but also for the culture.



Kris Alan Mauren
Executive Director



Review: Money, Greed, and God

By Ray Nothstine

Money, Greed, and God: Why Capitalism Is the Solution and Not the Problem. Jay W. Richards. Harper One, 2008

The belief that the essence of capitalism is greed is perhaps the biggest myth Jay W. Richards tackles in his new book, *Money, Greed, and God: Why Capitalism is the Solution and not the Problem*. One reason for confronting this challenge is that many free-market advocates subscribe to the thought that capitalism produces greed, and for them that's not necessarily a negative. But for those with a faith perspective, greed and covetousness are, of course, serious moral flaws.

It's also the kind of myth that less articulate writers would rather not challenge, especially in this troubling economic climate. Richards does, however, have a skill for tightly honed logical arguments, and he not only is able to defend free markets but to tear lethal holes into many of the economic ramblings of the religious left. He even takes on holy of holies like fair trade and Third World debt relief. Richards argues that the free market is moral, something that may come as a surprise to many people of faith. This book provides a crushing blow to those involved in the ministry of class warfare or those who wish to usher in the Kingdom of God through "nanny state" policies.

The book is divided into eight chapters, with each chapter discussing a commonly held economic myth like the "piety myth" or "nirvana myth." Richards says the piety

myth pertains to "focusing on our good intentions rather than on the unintended consequences of our actions." The nirvana myth characterizes the act of "contrasting capitalism with an unrealizable ideal rather than with its live alternatives." Richards himself states, "The question isn't whether capitalism measures up to the kingdom of God. The question is whether there's a better alternative in this life."

The influence of libertarian economist Henry Hazlitt and *Wealth and Poverty* author George Gilder are evident throughout this book. But the overarching strength of Richards' work is how he places the free-market message into the context of Christian discussion and debate. Unfortunately before this response, many of the economic arguments by the Christian left weren't properly countered in popular mediums. Furthermore, the wanton excess of prosperity gospel advocates only fueled or provided ammunition for the religious left's rebuke of the free market.

Richards also provides an argument of sorts through narrative in his book by contrasting his youthful naïveté with his more mature adult self. He points out examples where he dabbled with Marxist beliefs and what he called "Christian socialism." The reader is able to follow his progression of thought and study where he eventually comes to believe in the superiority of a free-market system when it comes to economic sufficiency, but also for lifting and keeping people out of poverty.

The chapter on greed and capitalism contain some of the most thoughtful and helpful arguments, particularly when he discusses the value of the entrepreneur in society. He offers some important thoughts on virtuous acts and behavior required of the entrepreneur. These thoughts counter the all too often repeated stereotypes of those who toil in business as greedy misers motivated solely by material accumulation. Richards says of the entrepreneur:

Unlike the self-absorbed, they anticipate the needs of others, even needs that no one else may have imagined. Unlike the impetuous, they make disciplined choices. Unlike the automaton, they freely discover new ways of creating and combining resources to meet the needs of others. This cluster of virtues, not the vice of greed, is the essence of what the Reverend Robert Sirico calls the 'entrepreneurial vocation.'

The author also does a formidable job at dealing with a number of scriptural texts and providing the reader with a broader context of meaning. One example is the study he does on usury, which includes a lot of helpful exegetical analysis, but also solid background information from church tradition and history.

This book is extremely important when one considers the current debates going on in churches and religious communities today. On many Christian campuses and seminaries the case for the free market is losing ground, or absent altogether. The author grasps and understands the argu-

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ments made by those who are hostile to the market and the religious backgrounds they come out of, and this helps his ability to respond. The ability to think through and respond to the ramblings of the religious left is what makes this work valuable. In fact, the religious left will probably ignore this book rather than respond to many of the well thought out and ordered arguments.

It must be said that another important factor in this book, and one that is a must when coming from a Christian perspective, is the moral considerations and arguments made in defense of the market. Richards understands that for capitalism or free markets to succeed and flourish they must have a moral framework and hold a moral value for the believer. Even if one is, however, not a person of faith, it's hard to argue against a need for a moral component for business and industry given the current economic crisis.

Richards takes on figures like Ayn Rand, who celebrate selfishness over the defense of the other. The moral argument, of course, characterizes the basis of the Acton Institute's purpose and mission. It's an argument that given the times and circumstances should provide us with a greater opportunity to reach the larger culture, especially the culture of believers.

The Acton handprint is all over this book because Richards penned the book during his tenure at Acton. One would hope this work will flourish and change the thinking of so many who are in desperate need of economic reasoning and education. Even if one is not inclined to believe or rally around the arguments made by Richards, it offers a nice balance to much of the economic branding offered up by the popular culture and religious left of late.

If nothing else the valuable critical thinking and writing the author offers reminds us there is an alternative to the kind of thinking that causes Jim Wallis of Sojourners to say the "great crisis of American democracy today is the division of wealth."

Double-Edged Sword: *The Power of the Word*

Hebrews 4:14-16

Therefore, since we have a great high priest who has gone through the heavens, Jesus the Son of God, let us hold firmly to the faith we profess. For we do not have a high priest who is unable to sympathize with our weaknesses, but we have one who has been tempted in every way, just as we are—yet was without sin. Let us then approach the throne of grace with confidence, so that we may receive mercy and find grace to help us in our time of need.

In the ninth chapter of Job, Job wonders during his suffering, "If only there were someone to arbitrate between us, to lay his hand upon us both." Before the New Testament revelation, he understood the need for a mediator who can experience the fullness of humanity on earth. "He [Christ] bears in heaven the marks of the wounds he received from us," says Saint Ambrose.

The intercessory nature of Jesus on our behalf is a critical teaching in Christianity. As the highest priest, the power of Christ to redeem and uplift humanity is supreme. The first aspect of his priestly office is his atoning death for us, and then Christ was taken through the heavens to be our advocate for us at the right hand of God.

Despite all of our troubles, obstacles, and even times of despair we should have a firm confidence when we approach our Lord for prayer and for spiritual growth. Sometimes it can be very difficult for those who are grown and filled with knowledge to possess belief and assurance. All the more so when we are saturated by a culture that finds the ways of the Lord "out-dated," "impractical," or even "offensive." It is very assuring and comforting to know that our own Lord felt temptation and was not moved to give into sin at all.

The throne of grace reminds us that God calls us to Him despite our own imperfections or any unworthiness we have. William Cowper, who was a follower of Christ in eighteenth century England, overcame tremendous mental depression to testify to God's greatness through his words. In his famed hymn, "There is a Fountain Filled with Blood," he said, "The dying thief rejoiced to see that fountain in his day; And there have I, though vile as he, washed all my sins away."

Christ is the Great Shepherd who at this very hour is calling humanity to the richness of His Kingdom. One of the greatest testaments to his compassion is that Christ first came for the sinner and the downtrodden, those marginalized or neglected by society. His love could not be lessened at all because of our own humanity. In fact his love is strengthened for having lived and suffered among us. There is a gospel song by Gillian Welch titled "By the Mark," that proclaims "I will know my Savior when I come to Him, by the mark where the nails have been." If you ever find yourself doubting his intercession or advocacy for you, remember his body bears the marks that we deserve.

himself rather than asking for food. In some of the accounts it even says that he ate two grapes and then he hung himself, rather than ask for food. And the striking thing was that this did not happen early in the depression. This did not happen in the England of Dickens, or in the United States at the beginning of the Great Depression. This happened rather in 1937 or 1938. So that was news, that the Depression within the Depression was so bad, and it seemed important. The recovery disappeared or, to put it more precisely, the recovery chose to stay away.

“This was the decade that lived the phrase ‘nice work if you can get it.’”

Industrial production went down more than 60 percent. Non-durable production slowed. The stock market dropped. The stock market prices fell 40 percent, and then they fell another 10 percent. The unemployment rate went way up. By some measures it went from around 12 percent up towards 20 percent. So what’s happening? Gene Smiley, who was a professor at Marquette, details this factually in his crucial book, *Rethinking the Great Depression*. Some of these factors had to do with a new sense of a caution. The government was afraid of inflation. So policy was often “too tight.” Washington was also afraid that banks would fail. So it said banks especially should have more reserve so that they’ll pass all the stress tests, to put it in modern language. And the banking act of 1935 gave the feds the authority to raise reserve requirements. Federal authorities said, this won’t matter, and it won’t be contraction because the banks have already accumulated lots of reserves now—they are concerned about a repeat of the early 1930s. The point is they wanted a great cushion between them and failure. But what did the banks do when the government increased requirements? They took it as a

signal to accumulate yet more reserves.

So it’s like you pay someone to put their seatbelt on and they already have their seatbelt on. Well they put on a second seatbelt.

What else kept recovery away? High labor costs. This was a fact that was discussed thoroughly at the time, but less since. We think that the Wagner Act, which is our great labor law of 1935, is benign and good. But in fact, it gave John L. Lewis, the great labor leader, the authority to bully, which he did, and wages went up higher than companies could afford. And therefore, companies had more trouble. *The Forgotten Man* is a narrative book, but there are two economists who document this labor cost disadvantage thoroughly and technically. One is Harold Cole at University of Pennsylvania, and the other is his partner, Lee Ohanian at UCLA. Ohanian recently noted in Senate testimony that total hours worked per hour were 20 percent below their 1929 level at the end of the 1930s. So, wow, they made labor more expensive during a downturn and thereby increased unemployment. This was the decade that lived the phrase “nice work if you can get it.”

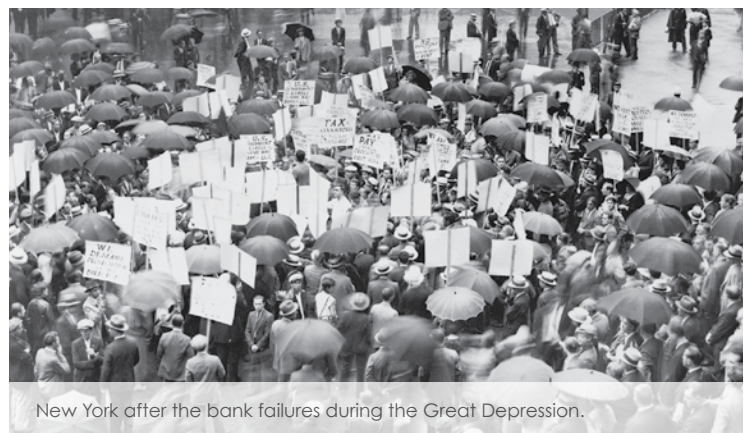
How much has Depression-era literature, such as John Steinbeck’s, The Grapes of Wrath, shaped our views of the New Deal?

Art shapes what we think. And the art of the period was powerful. John Steinbeck’s writing or the photos taken by famous photographers like Dorothea Lange who took the picture of the Migrant Mother, these are the type of photos that we continue to study. We think of these as holy documents, holy artifacts. When viewers look at Migrant Mother, they think they were

“The recovery disappeared or, to put it more precisely, the recovery chose to stay away.”

looking at an image that was made for *Life Magazine*.

But that’s putting a modern spin on history. The reality was that Migrant Mother was photographed for the government – the Farm Security Administration. Such pictures were representing true poverty, but they also had a propagandistic side. Roy Stryker, who ran the photography project that yielded such images, later spelled this all out. He wrote about the specific political goals of the photography project: his department “could not afford to hammer home anything except their message that federal money was desperately needed for major relief programs. Most of what the photographers had to do to stay on the payroll was routine stuff to show what a good job the agencies were



New York after the bank failures during the Great Depression.

doing in the field.”

What’s the takeaway? We know the Depression was terrible. But we want to be quite discerning in investigating the causes of it and that’s the area where we’ve been a little too emotional.

continued on pg 12



Is there anything we can learn from Calvin Coolidge today about a good and positive way to respond to the economic crisis, whether on a personal or governmental level? Are his views even relevant in approaching the post - New Deal, post - Great Society era?

I'm at work on a biography of Coolidge and am fortunate to have the support of the Calvin Coolidge Memorial Foundation. Coolidge definitely would have responded differently to these crises. He had his own Hurricane Katrina, the 1927 flood of the Mississippi, and he didn't go down to see the damage or supervise recovery. He thought it was inappropriate. He sent his commerce secretary. Coolidge didn't like public sector unions to strike. He was the governor who did an early version of Reagan's clash with the air traffic controllers, quite dramatically. Coolidge fired the Boston police when they struck in 1919. Coolidge believed in smaller government. He cut taxes a number of times. Overall in the 1920s, taxes were cut five times by Treasury Secretary Andrew Mellon. Coolidge called Herbert Hoover, whom he saw as an activist, "Wonderboy." Coolidge didn't understand Roosevelt. In fact, he said as much right towards the end. Coolidge died after Roosevelt's election, but before his inau-

guration he said "I feel I no longer fit in with these times." So I think the country would have gone much differently. There were many, many factors driving the Depression, especially early on. We can't say Roosevelt broke it, or Hoover broke it, or Coolidge would have fixed it. That's a little simple, but Coolidge was a withholder and a refrainer.

We always seem to hear so much about the federal programs and New Deal in the 1930s, but how did private charities and churches respond? Did they wither or flourish?

In *The Forgotten Man* there are several examples of private charities endeavoring to make an effort during the New Deal and feeling squeezed by the New Deal. Father Divine, the black cult leader, wrote to the Roosevelt administration saying that he felt some of the programs were disturbing the work ethic of his constituents. So it's clear that these charities, and more important, the fraternal societies that did so much work in the United States, felt squeezed.

Professor David T. Beito effectively showed the relationship between emerging welfare states

and the decline of fraternal services. So, was there crowding out? Probably. Beito documents that well. And when the government provided, the fraternal societies no longer felt the need to. And one has the sense that people turned to government rather than to such societies.

How does faith figure into The Forgotten Man?

I tried to portray faith and fraternalism, and also other self-help innovations. And I was happy with the self-help innovation I was able to cover, which was the creation of Alcoholics Anonymous by Bill Wilson. That's an innovation that's remained today. We all belong to some kind of self-help group, whether it's a chat discussion about our bunion, or a discussion group for the grandparent or parent of a two year old. So I was able to convey that through Wilson, how he popularized that format. And then I thought to have a religious figure, it ended up being Father Divine who was in New York, and he's a large presence. He's a black leader. There are hundreds of stories about him in New York in the 1930s in the papers. He believed in property. His gospel of plenty was in opposition to the gospel of scarcity preached by the New Deal most of the time. Roosevelt believed that our economic frontier was reached. And he said as much in his speeches. One stunning thing about Father Divine was that he actually dared to joust with Roosevelt. FDR had a house on the Hudson River, and Father Divine



Shlaes talks about the current recession on FOX news.

acquired property just on the other side, in order to be in FDR's face about an issue that was important to him and to all of us, which is the failure of the New Dealers to stop lynching. Father Divine thought that if Roosevelt could fool around with the Constitution in other areas, he might fool around in the area of civil rights to halt lynching. And that action between Father Divine and FDR was quite compelling and fun to convey in *The Forgotten Man*.

But I didn't really get to the Catholic Church. I didn't get to a lot of other churches. In retrospect I think Father Divine is a bit questionable as an exclusive choice to represent the faith because he was a cult teacher. He believed he was God. He's not someone most churches would be proud of for that reason or select as their representative. It's sort of a mockery of their faith. And in that sense, I should have had someone else in addition, along with Father Divine. What I tried to get at in the book was that in the secular vacuum the government came to take the place of the church.

In the midst of this current economic crisis, what kind of warning can you offer young people about the changes they are likely to face, such as their own tax burden and their retirement? How is the current expansion of government likely to impact their daily lives?

The forgotten man in *The Forgotten Man* book was that person who endured the Great Depression, and whom the New Deal did not help. This is the person who didn't happen to be in one of the constituent groups whom Roosevelt sought out and connected with, or whom Hoover sought out and connected with. The forgotten man today would be the person who isn't remembered by lawmakers this go-round. First of all, that individual would be the man or woman who paid their mortgage and now is going to lose his job and find it harder to continue to pay the mortgage because others did not pay theirs. Everybody has sympathy for the latter party. We know how hard it is to meet a mortgage, but

we also are not sure whether one party should suffer for that other party's failure. In addition, our own children and grandchildren are forgotten men because they will pay the taxes in the future that will result from our overexpansion today.



THE FORGOTTEN MAN

A NEW HISTORY OF THE GREAT DEPRESSION

AMITY SHLAES

'Americans just now find what Amity Shlaes has brilliantly supplied, a fresh appraisal of what the New Deal did and did not accomplish.' —GEOGE F. WILL

What do you like most about America? Are you optimistic about its future?

Resilience is our abiding characteristic. We don't get mired and we change a lot. We're proud in a good way. You can think of market recovery in terms of rock climbing. Equities people always say of the stock market "the market climbs a wall of worry." But you can also say that "the market wants to go up, and the only question is, what is stopping it?" The economy wants to recover now. It's our job now to figure out what is stopping it and reduce the scale of that obstacle.

So we don't know what America will be like. We don't know what kind of inventions will come. Also, the forgiving quality of the United States is crucial. You can make an error and start over and that is represented in our bankruptcy law. In the

olden days when people went into debt on the East Coast, they'd head west. Did they drop the keys in the mailbox of the bank? They did the equivalent. Was it right? Not particularly but it also reflected energy. There's always a trade off between risk taking and prudence, and honoring the law and the contract.

Anyhow this idea that people are throwing keys into the mailbox or dropping them off at the bank and leaving, this idea that that will mean the ruin of the United States is, perhaps, exaggerated. It's happened before and we've still had prosperity. The prosperity can only happen if property rights over the longer term do get honored.

Further Reading:

For further information on this subject, Amity Shlaes has offered a short list of books she personally recommended for the readers of Religion & Liberty.

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Lester DeKoster [1916-2009]

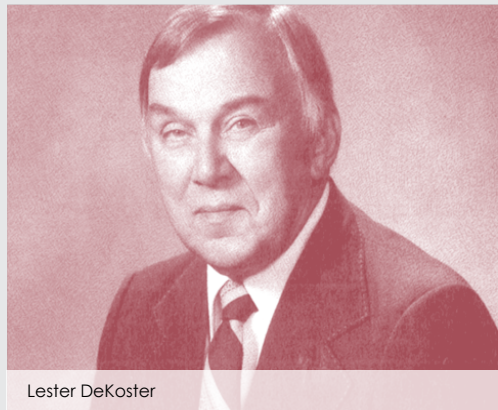
“God is a free enterpriser because he expects a return on His investments.”

At once a father, professor, librarian, editor, publisher, and author, Lester DeKoster leaves a powerful legacy that resonates far beyond the borders of his school and denomination. In 1951 DeKoster became director of the library at Calvin College and Seminary, affiliated with the Christian Reformed Church in Grand Rapids, Michigan. During his tenure at the college, DeKoster was influential in expanding the holdings of the H. Henry Meeter Center for Calvin Studies, one of the preeminent collections of Calvinist and Reformed texts in the world. DeKoster also amassed an impressive personal library of some 10,000 books, which includes a wide array of sources testifying to both the breadth and depth of his intellectual vigor.

DeKoster was a professor of speech at the college, and enjoyed taking up the part of historic Christianity and confessional Reformed theology in debates on doctrinal and social issues that pressed the church throughout the following decades. One target of his sharp wit lamented, “It’s been a long time ago that I was so chastised, and that publicly.” But both his public debates and private correspondence were marked by a spirit of charity that tempered and directed the needed words of rebuke.

One of the pressing issues of his time was the rise of communism during the Cold War. In 1962 DeKoster authored a landmark volume, *Communism & Christian Faith*, in which he explored communism and Marxism as a religion, an alternative to and competitor with Christianity. This book goes on to lay out the challenge presented by Marxism and the necessary steps for proceeding along an “anti-communist” and positively Christian program, characterized by a call to both “discern” and “love” enemies of the faith. As part of this

project DeKoster fought the spread of Marxist economic ideology into Christian churches through liberation theology. To safeguard church leaders from this insidious threat, he authored *Liberation Theology: The Church’s Future Shock*, *The Deacon’s Handbook*, and *The Elder’s Handbook*. “The Lord God is a free enterpriser,” he wrote. “This is one reason why Karl Marx, who was not a free-enterpriser, rejected God.” For DeKoster, the free enterprise system made possible good stewardship of God’s gifts because “all of God’s gifts to mankind are as a divine investment upon which the Investor expects full return.”



Lester DeKoster

After his retirement from Calvin College in 1969, DeKoster labored for a decade as the editor of *The Banner*, the denominational magazine of the Christian Reformed Church in North America. This position provided him with another platform from which to critically engage the life of the church and the world.

During this time DeKoster also launched, in collaboration with Gerard Berghoef (a longtime elder in the church) and their families, the Christian’s Library Press, a publishing endeavor intended to provide timely resources both for the church’s laity and its leadership.

In *God’s Yardstick*, first published in 1980, DeKoster describes the concept of *stewardship* as a governing concept in the Christian life. DeKoster contends that “basic stewardship is concerned with sweetening human relationships in our everyday world.” DeKoster would further identify the basic form of stewardship with the concept of work, intended to shape the soul of the worker to that of obedient righteousness. “While the object of work is destined to perish,” observes DeKoster, “the soul formed by daily decision to do work carries over into eternity.” It is this comprehensive and all-encompassing vision that characterizes the legacy of Lester DeKoster, a lifetime of stewardship in service of the King of kings and Lord of lords.



The Pope on “Love in Truth”

In his much anticipated third encyclical, *Caritas in Veritate* (Love in Truth), Pope Benedict XVI does not focus on specific systems of economics—he is not attempting to shore up anyone’s political agenda. He is rather concerned with morality and the theological foundation of culture. The context is, of course, a global economic crisis—a crisis that’s taken place in a moral vacuum, where the love of truth has been abandoned in favor of a crude materialism. The pope urges that this crisis become “an opportunity for discernment, in which to shape a new vision for the future.”

Yet his encyclical contains no talk of seeking a third way between markets and socialism. People seeking a blueprint for the political restructuring of the world economy won’t find it here. But if they look to this document as a means for the moral reconstruction of the world’s cultures and societies, which in turn influence economic events, they will find much to reflect upon.

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Caritas in Veritate is an eloquent restatement of old truths casually dismissed in modern times. The pope is pointing to a path neglected in all the talk of economic stimulus, namely a global embrace of truth-filled charity.

Benedict rightly attributes the crisis itself to “badly managed and largely speculative financial dealing.” But he resists the current fashion of blaming all existing world problems on the market economy. “The Church,” he writes, “has always held that economic action is not to be regarded as something opposed to society.” The market is rather shaped by culture. “Economy and finance ... can be used badly when those at the helm are motivated by purely selfish ends. Instruments that are good in themselves can thereby be transformed into harmful ones. But it is man’s darkened reason that produces these consequences, not the instrument per se. Therefore it is not the instrument that must be called to account, but individuals, their moral conscience and their personal and social responsibility.”

The pope does not reject globalization: “Blind opposition

would be a mistaken and prejudiced attitude, incapable of recognizing the positive aspects of the process, with the consequent risk of missing the chance to take advantage of its many opportunities for development.” He says that “the world-wide diffusions of prosperity should not ... be held up by projects that are protectionist.” More, not less, trade is needed: “the principal form of assistance needed by developing countries is that of allowing and encouraging the gradual penetration of their products into international markets.”

Benedict constantly returns to two practical applications of the principle of truth in charity. First, this principle takes us beyond earthly demands of justice, defined by rights and duties, and introduces essential moral priorities of generosity, mercy and communion—priorities that provide salvific and theological value. Second, truth in charity is always focused on the common good, defined as an extension of the good of individuals who live in society and have broad social responsibilities. As for issues of population, he can’t be clearer: “To consider population increase as the primary cause of underdevelopment is mistaken, even from an economic point of view.”

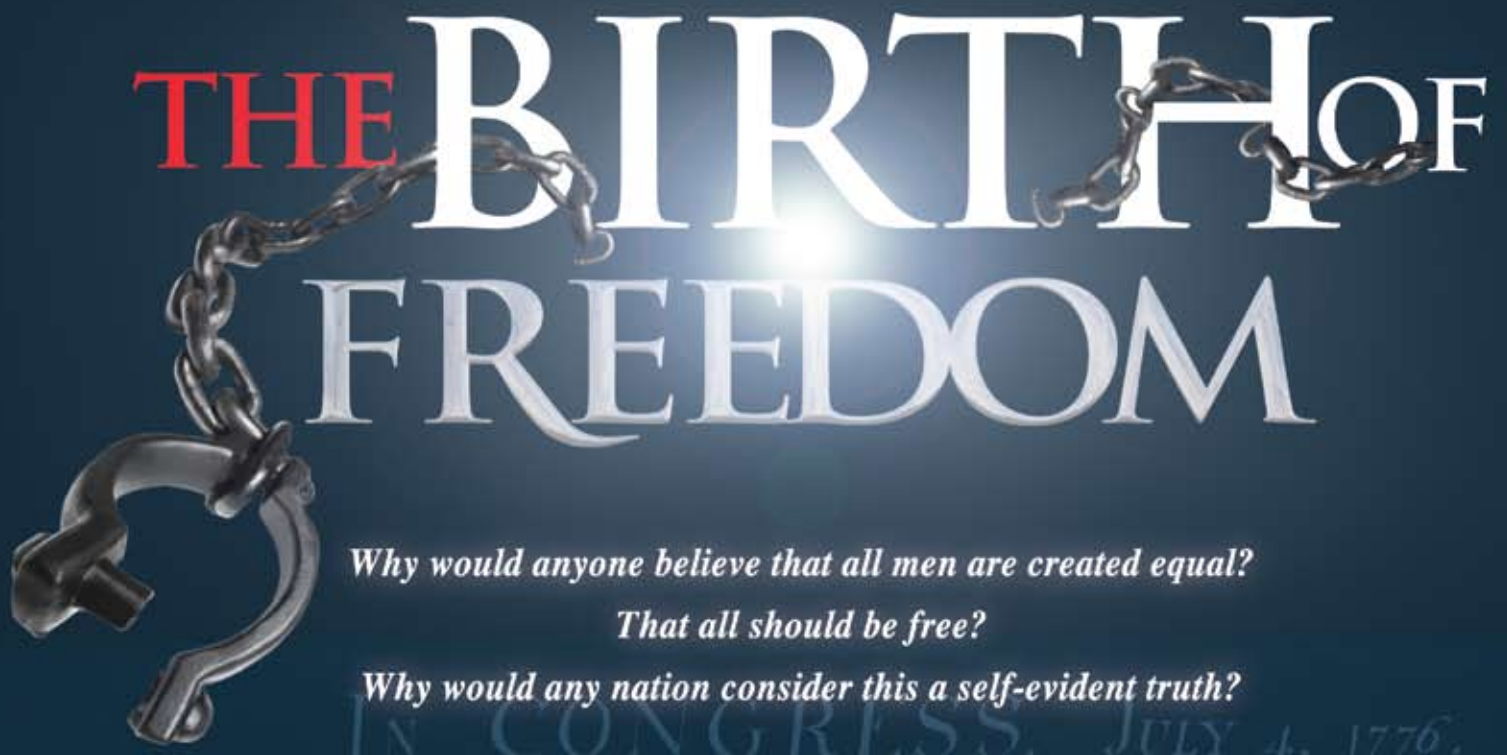
Several commentators have worried about his frequent calls for wealth redistribution. Benedict does see a role for the state here, but much of the needed redistribution is the result of every voluntary and mutually beneficial exchange. To understand such passages fully and accurately, we do well to put our political biases on the shelf.

Caritas in Veritate is a reminder that we cannot understand ourselves as a human community if we do not understand ourselves as something more than the sum of our material parts; if we do not understand our capacity for sin; and if we do not understand the principle of communion rooted in the gratuitousness of God’s grace. Simply put, to this pope’s mind, there is no just or moral system without just and moral people.

This is an edited version which originally appeared in The Wall Street Journal.

Rev. Robert A. Sirico is president of the Acton Institute for the Study of Religion and Liberty, in Grand Rapids, Michigan.

THE BIRTH OF FREEDOM



Why would anyone believe that all men are created equal?

That all should be free?

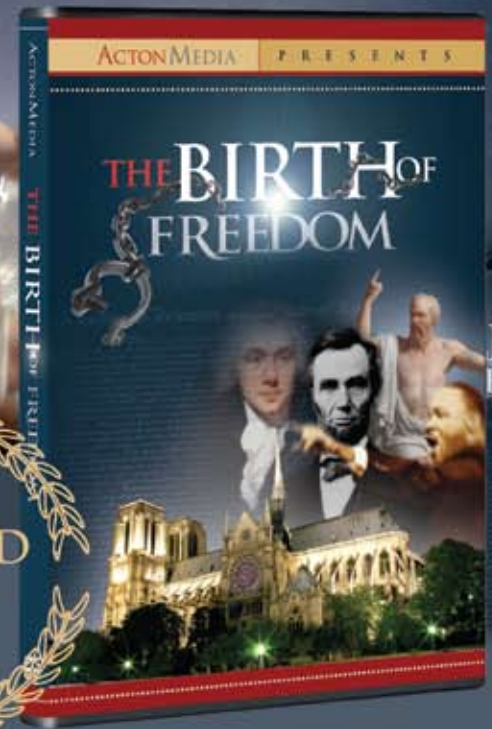
Why would any nation consider this a self-evident truth?

IN CONGRESS, JULY 4, 1776.

For the millions around the world who have never tasted liberty, the question cries for an answer.

The unanimous Declaration of the thirteen united States of America

How is freedom born?



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NOW

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