RELIGION & LIBERTY

January and February • 1998 A Publication of the Acton Institute for the Study of Religion and Liberty Volume 8 • Number 1

Virtue a Prerequisite for Economic and Political Freedom

Interview: Foster Friess

As Chairman of Friess Associates, Foster Friess manages more than $11 billion of equities for such clients as the Nobel Foundation of Stockholm, Vanderbilt University, and the Brandywine and Brandywine Blue mutual funds. In addition, a large part of his personal ministry involves giving financial assistance to religious and community groups that help the poor and the troubled.

R&L: In addition to managing one of the most successful investment firms in the nation, you are also a vigorous philanthropist, regularly funding such things as Christian outreach to the inner city. How is this related to your Christian commitment?

Friess: People will sometimes ask, "Why should I get involved in trying to solve society's problems? Why don't I just go to my Bible study and enjoy the 'holy huddle'? It's safe and secure there; why venture out where I'm going to get beat up?" As a kid I remember going to church and saying in the Lord's Prayer, "thy kingdom come, thy will be done on earth as it is in heaven." After I asked Jesus to become the "chairman of my board" when I was thirty-eight years old, I knew that I could not just pray that prayer and not make myself available to Him and to do the work of his Kingdom. Paul tells us in Galatians 6:2 that we fulfill the law of Christ when we serve others.

I am reminded of a statue in an English church that was bombed in World War II. It was a statue of Jesus with his hands outreached and with the inscription, "Come unto me." When they were restoring this statue, they could not find the hands. Instead of making new hands, they simply changed the inscription to read, "Be my hands." I think this is a beautiful picture of what we are called to be in this world.

R&L: In the past you have been very vocal about the importance of private initiatives in responding to the needs of the poor. What do you see as the greatest challenge ahead in the reform of our government welfare system?

Friess: One of the reasons that the government went into the business of trying to help the poor was that the private sector had turned its back on these problems and created a vacuum. Now the government is failing, and there is another vacuum. It is a great opportunity for the private sector to come back in and demonstrate what it can do.

We will never move government programs into the private sector if the private sector does not step up to fill the need first. This is a challenge to the church, which, frankly, has been asleep at the wheel. A lot of our churches have become hymn-singing country clubs. Churches need to be asking, "Hey, where's a family that's hurting?" and go out and mentor them, take them to ball games, make sure their kids have a ball glove and a musical instrument.

Jesus said to his followers in Matthew 25:35–40, "You fed me when I was hungry, clothed me when I was naked, and visited me when I was in prison." And his followers scratched their heads and said, "Gee, we don't remember doing that." And Jesus responded, "What-

ever you did for one of the least of my brothers, you did for me." So if we are going to remain true to Jesus' commands, we need to help people free themselves from the prison of poverty and of the welfare system that all too often perpetuates it. We need to be effective witnesses and change hearts.

R&L: A recent profile of you in the* Investor's Business Daily *explains that you try to approach your business dealings from a biblical perspective. Can you elaborate on what you mean by this?

Friess: As I mentioned before, accepting Jesus Christ as the chairman of my board changed my life profoundly. It is critically important to realize that as we strive to be better people and better witnesses, we must be very careful to make a distinction between perfectionism and excellence.

I am a recovering perfectionist. The problem is that perfectionism abhors error. It tries to eradicate it and destroy it. Excellence, on the other hand, embraces error, builds on it and transforms it. How do we grow as people, through our good experiences or our less positive ones? When we fail, we learn how to deal with failure, how to advance beyond it. We can be better people, but let's strive for excellence, not perfectionism.

As sinners, we will make mistakes and even make the same ones twice; expect this. We all have strengths and weaknesses. Don't worry too much about your weaknesses; let God use your strengths and minimize your weaknesses. At Friess Associates we accept people for who they are: imperfect but capable of being used by God to move the ball down the field.

I propose that a morally bankrupt society cannot maintain a strong economic balance sheet.

R&L: How do your values affect how you do business? For example, do they affect how you treat your employees?

Friess: Family is very important to me. My father modeled for me what it is to work hard and to go the extra mile. He would rise at 4:30 A.M. every morning, drive the countryside buying cattle, and return well after dark. And my mother taught me frugality and how the little things can count. But more powerful than all these role models combined has been the influence of Jesus Christ in my life.

We have tried to work those values into the way we deal with our teammates. If there is ever a conflict between a ninth-grader's school play and our annual firm banquet, there should never be any doubt that the school play comes first. Remember Barbara Bush's great speech at that girl's school where she said that what is important is not the investment deals you close and the big real estate deals you transact, but, at the end of the day, it is the family, the time you spent with them, and enjoyed with them.

How many men do you know who are seventy-six years old, sitting in the rocking chair in retirement saying, "Gee, if only I would have spent more time at the office"? Not many!

R&L: Speaking more generally, in what way do biblical principles apply to the free-market system?

Friess: I think that one of the most important ways that the Judeo-Christian tradition can help clarify free-market processes is with the principle of sin.

R&L: How so?

Friess: You see, just as there are physical consequences of sin, there are also economic consequences of sin. Too often, these costs are just passed along to the consumer and taxpayer. Unfortunately, sin is too often overlooked when trying to reduce these costs and improve society. Just as millions of consumer decisions every hour affect the overall picture of the United States—for example,

RELIGION & LIBERTY

A Publication of the Acton Institute for the Study of Religion and Liberty

Volume 8 • Number 1

Publisher: Rev. Robert A. Sirico

Editor: Gregory Dunn

Contributing Editors:

William B. Allen, Ph.D.
John Attarian, Ph.D.
Doug Bandow, J.D.
Erik von Kuehnelt-Leddihn, Ph.D.
Rabbi Daniel Lapin
Ronald Nash, Ph.D.
Rev. James V. Schall, S.J.
Herbert Schlossberg, Ph.D.

The Acton Institute for the Study of Religion and Liberty was founded in 1990 to promote Classical Liberal ideas among clergy and individuals who can best effect positive change in the moral climate of our time. The Institute is a nonpartisan, nonprofit, charitable, educational, and literary center. It is supported by donations from foundations, corporations, and individuals and maintains a 501(c)(3) tax-exempt status.

Letters and subscription requests should be directed to: Acton Institute, 161 Ottawa St., NW, Suite 301, Grand Rapids, MI 49503 or phone (616) 454-3080.

The views of the authors expressed in *Religion & Liberty* are not necessarily those of the Acton Institute.

in determining whether we are in a recession or expansion—the millions of moral decisions citizens make will determine whether we live in a noble society or a degenerate one.

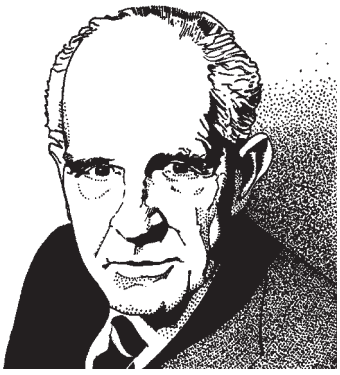
I propose that a morally bankrupt society cannot maintain a strong economic balance sheet. Consider the sin of greed. One way that greed manifests itself is when city dwellers decide they are paying too much rent. Instead of moving somewhere else, they get city governments to pass rent control laws. Rent controls, however, invite landlords to protect their investment by converting to condominiums and, even worse, discourage developers from building any more rental housing. Under the guise of protecting the poor, rent control ends up as a subsidy for the middle and upper classes while driving poor people out of cheap housing.

Any businessman interested in building a healthy economy should see not

In The Liberal Tradition

Emil Brunner (1889–1966)

"This inversion of the structure of the State which, instead of being built up from below, is organized from above, is the one great iniquity of our time, the iniquity which overshadows all others.... The State, which should be only the bark on the life of the community, has become the tree itself."



Neo-orthodox theologian Emil Brunner was ordained in the Swiss Reformed Church and was professor of systematic theology at the University of Zurich, where he taught continuously, except for extensive lecture tours in the United States and in Asia. He, along with Karl Barth, sought to reaffirm the central themes of the Protestant Reformation against the prevailing mood of liberal theology. Although, like Barth, he was drawn to religious socialism early in life, it began to look to him like a "beautiful illusion" after the horrors of World War I. Further, those horrors yielded fruits Brunner found more horrific yet: the modern, totalitarian, atheistic, and collectivist state. In response, he felt compelled to formulate a comprehensive system of Christian social ethics based on natural law and at once Reformed, biblical, and personalistic.

Brunner's social ethics takes as its "primary datum" the "individual human being" created in the image of God and "predestined for community." From this datum, he vehemently criticizes the collectivist state as the "acme of injustice." According to Brunner, collectivism's primary flaw is that it ignores the God-given individuality and dignity of the human person. Similarly, Brunner advances criticisms of the radical individualism posited by modern democratic theory, for it downplays community and sees it as merely instrumental to the desires of wholly self-sufficient individuals. While this conclusion differs from classical liberal political theory strictly defined, Brunner's insights into theological anthropology have considerable value for Christian social thinkers.

Brunner's social thought most resonates with classical liberalism in his understanding of the best regime, which he calls "federalism," that is, "the state built up from below." According to Brunner, God has ordained certain "orders of creation" that are part of God's preserving grace for organizing human life. These orders include human communities in the "economic, technical, purely social, and intellectual spheres." Brunner is very explicit, however, that community is not tantamount to the state; indeed, such creational orders exist apart from and prior to the state. For example, the family is the "primal community" whose "rights take absolute precedence" over any other institution. Further, between the family and the state are a "host of intermediate links" each ordained by God for certain purposes, which the state is not to usurp but to preserve and to protect. Thus, for Brunner, the state is severely limited in its scope of legitimate authority. *A*

Sources: *Justice and the Social Order* by Emil Brunner (Lutterworth Press, 1945), and *Politics and Protestant Theology* by Rene de Vismé Williamson (Louisiana State University Press, 1976).

only the moral but the economic value of discouraging sin and encouraging virtue. As Michael Novak has said, "Self-government depends on the capacity of citizens to govern their own passions, urges, habits, and expectations." We should work to rebuild a virtuous economy. Ephesians 4:28 reads, "Let him who stole, steal no more—but take up honest work." Through our sin, we steal from our economy. God wants us, instead, to be productive—to replace the costs of sin with the rewards of virtue.

R&L: You speak of the need for the people in free societies and free markets to be virtuous. What are some of the more important virtues that should be cultivated?

Friess: I think that there are two virtues—at least two—that are very important, especially for Americans: courage and hard work. America was built by men and women who came to this country in search of just one thing: freedom. Having experienced the horrors of totalitarian repression, stifled opportunity, and hierarchical societies, they saw America as a shining land of opportunity. They knew what it meant to work and they knew what it meant to be free. They embodied what Theodore Roosevelt talked about when he said, "Our country calls not for the life of ease but the life of strenuous endeavor." They became captains of industry, architects of our material wealth, guides for our spiritual health, and leaders who called us to see things as they could be. They were also the anonymous millions who worked hard, raised families, passed values on from one generation to another—they were the threads of the fabric of America.

R&L: Many argue that these kinds of virtues—as well as freedom itself—are in short supply today. What happened to cause this shortage?

Friess: For some reason, in the past several generations, there have been those who have attempted to curtail the very freedom that made America possible—believing that the risks of freedom were too great or perhaps that the rewards of freedom were more than they could control. And so in this great nation we began a social experiment unprecedented in American history. Having been conceived in liberty and nurtured in freedom, we had these birthrights traded in for a system of elite governmental control—and we have reaped the whirlwind. No longer believing in the freedom of man, we have engaged in a crazy experiment that has had an incalculably high toll. Free men in a free State become, instead, objects of affection of an overbearing "Nanny State."

R&L: Business, and the free-market economy in general, has come under fire recently for putting the desires of shareholders above the needs of "stakeholders" in society. How do you respond to these charges?

Friess: The unparalleled freedom of our markets is one of the main sources of our greatness. The United States has built the strongest economy known to man. Its scope is staggering. Yet amidst this awesome force, there are those who say that our economy needs fundamental change—it needs more management!

The elite from across the country, especially those in Washington, look at our markets and wring their hands in anguish. They see these numbers, and they feel like they do not have any control. They are constantly looking for an opportunity to say "A-ha! See, I told you this free-market thing doesn't work."

We saw this a while back in all the layoffs that were going on in big business—with AT&T, IBM, and the like. Now, I do not want to make light of the pain such disruptions cause in the lives of those laid off, but it is really only part of the story. Why wasn't it reported, for example, that Cisco Systems has grown from about four hundred to over seven thousand employees in just a few short years? Why didn't people at that same time talk about how companies like Micron, Cyrix, and Intel were hiring people as fast as they could find them? And these are not old-era, dead-end jobs, but jobs with almost unlimited potential that offer people great opportunities and new challenges.

R&L: Are you proposing, then, a sort of unrestrained capitalism or unconstrained freedom?

Friess: I am proposing capitalism and freedom rightly understood. Novak has a fine definition of capitalism that sums up what I envision when I talk about capitalism. He defines it as, "an economic system, dependent on an appropriate political system and a supportive moral/cultural system, that unites a large variety of social institutions in the support of human creativity."

That is capitalism properly understood, a complex interplay of myriad forces allowing people to reach the maximum of their God-given potential. And there is not a person or an organization or a government that can "manage" the system. Keeping our markets free is integral to keeping America free.

R&L: How do you view the relationship between religion and liberty? Are they mutually exclusive? Mutually reinforcing?

Friess: There is no freedom of man and there is no freedom of markets without the guidance of the One who has granted these freedoms. And I believe that much of the greatness of the West can be traced to its deep understanding of this fact. The West has been blessed economically, spiritually, and culturally because

continued on page 11

Human Capital and Poverty

Gary S. Becker

The main purpose of economics is to understand and to help alleviate poverty, and there is an intimate and transparent relation between investments in human capital and the alleviation of poverty. That is the theme of my presentation.

The term *human capital* may not be familiar to all of you. Human capital refers to the skills, education, health, and training of individuals. It is capital because these skills or education are an integral part of us that is long-lasting, in the way a machine, plant, or factory lasts.

Prior to the nineteenth century, systematic investment in human capital was not important in any country. Expenditures on schooling, on-the-job training, and other forms of investment were quite small. This began to change radically during that century with the application of science to the development of new goods and more efficient methods of production, first in Great Britain, and then gradually spreading to other countries.

During this century, education, skills, and other knowledge have become crucial determinants of a person's and a nation's productivity. One can even call the twentieth century the Age of Human Capital in the sense that the primary determinant of a country's standard of living is how well it succeeds in developing and utilizing the skills, knowledge, health, and habits of its population.

It has been estimated that human capital—education, on-the-job and other training, and health—comprises about 80 percent of the capital or wealth in the United States and other advanced countries. Even if such estimates are somewhat exaggerated—and if there is any exaggeration, it is not large—these estimates clearly indicate that human capital can be neglected only at a country's peril.

Human Capital and Economic Growth

The importance of human capital to growth is perhaps excessively illustrated by the outstanding records of Japan, Taiwan, Hong Kong, South Korea, and other fast-growing Asian economies. But they are obvious examples because they lack natural resources—which typically is overstated greatly as a determinant of economic performance—and face discrimination against their exports in the West. Nevertheless, they have managed to grow extremely rapidly in significant part because they have had a well-trained, well-educated, and hardworking labor force, and dedicated parents.

If you look at Korea, for example, all the coal is in North, not South, Korea. Prior to the Korean War, the north was the richer part of Korea. Today North Korea is an economic disaster while South Korea is a very prosperous, democratic nation. South Korea prospered, I believe, mainly because it was able to utilize and promote the talents of its population effectively. All the Asian Tigers are highly educated and literate. On-the-job and other training, as well as good work habits and values, support these hardworking people.

Every culture has the capacity to produce a successfully developing nation, be it Asia or Latin America, where we see examples in Chile and possibly Argentina and Brazil. It is not the culture that has prevented Africa from growing but the policies governments have inflicted on their people. With good policies, there is nothing in African culture to prevent these nations from joining in increasing numbers the economically advanced nations of the world.

Many economists have examined the growth of more than one hundred nations since 1950. They have asked, "Why are some nations that started out poor, such as Korea and Taiwan, now fairly wealthy? Why have nations that started out poor, such as Nigeria and other nations in Africa, remained economically stagnant or even regressed? And why has a nation such as Argentina, once one of the richest nations in the world, fallen back over a sixty-year period?" Almost every one of these studies shows that the utilization of education and health—life expectancy is a measure of health—are important determinants.

I am not saying that machinery and physical capital are of negligible importance in a modern economy. Of course, you need good machinery, equipment, and factories. But you also need skilled workers and managers, and innovative entrepreneurs to utilize this machinery effectively. There are many examples of nations that have imported the best possible machinery and have had dismal results. You cannot grow without a strong human capital base. Success depends on how well a nation utilizes its people. If it treats them badly, leads them to underinvest in themselves, or neglects a significant fraction of them, it will fail

in the modern world, no matter how much machinery it utilizes.

One might think that the value of having an educated and trained population would have fallen over time because there are so many more educated people in the world. A simple supply/demand analysis would say that, as there is more supply, price goes down. Although the supply of educated people has increased, technology has been shifting rapidly and significantly in favor of the better trained, more educated people. So, despite the sizable increase in supply of educated people in the United States, in most European nations and in some of the developing nations there has also been tremendous growth in the advantages of getting additional education and training.

From about 1930 to 1970, the typical college graduate in the United States earned about 40 percent more than the typical high school graduate, while the typical high school graduate earned some 40 percent more than the typical high school dropout. These premiums have doubled to between 70 percent and 80 percent. The reasons are not completely clear. Economic studies are fairly convincing that it is not just because this is an increasingly competitive world with low-skilled jobs being exported to Asia and other poorer countries. Although that is happening, the major determinant seems to be technology. Computers are one example. Computer literacy is just a sample of what is going on in every area: The ability to harness and utilize knowledge effectively determines a nation's success. Knowledge is power in the modern world.

The same general trends that I indicated for the United States are found in Western Europe. Lack of human capital development tends to show up more in Europe in increasing unemployment. In 1980, United States unemployment was much above that in Germany, France, Sweden, and many other Western European countries. There has been a complete reversal since then. Unemployment in France now is 11 percent; West Germany is about 9 percent; Britain is 8.5 percent; Sweden is 13 percent; Spain is 23 percent. Similar numbers apply in most of the Netherlands and Belgium.

Where does human capital come from? What constitutes a successful investment in human capital, either at the individual or national level? One has to start with the family.

Most of these unemployed people are less-educated young people without job experience or on-the-job investment.

Education and training not only promote growth and efficiency, but they can reduce inequality and the impact of disadvantaged backgrounds. Education is the most effective way for able young people of poor backgrounds to rise in the economic hierarchy, because human capital is the main asset of 90 percent of the population. This is why income inequality in a nation is greater when inequality in education is greater. Indeed, income inequality is more generally related to inequality in all types of human capital: in training and health, as well as in schooling.

It is not surprising, therefore, that the increased inequality in incomes in the United States since the mid-seventies has been caused in good part by larger returns to schooling and other training, and that many countries, like Mexico and Brazil, have major pockets of poverty related to regional disparities in opportunities for education.

Human Capital and the Family

Where does human capital come from? What constitutes a successful investment in human capital, either at the individual or national level? One has to start with the family. It is the foundation of a good society and of economic success. Families have differed over time, but they are still very important in the modern economy. To understand human capital, you have to go back to the family, because it is families that are concerned about their children and try, with whatever resources they have, to promote their children's education and values. Families are the major promoters of values in any free society and even in not-so-free societies.

Families make a variety of decisions. One is whether to have many children or to have fewer children and to try to do more for each child. As countries develop, the trend shifts very strongly toward the latter. Every nation that has developed has done that, some in remarkably short periods of time. Taiwan, for example, has a birth rate lower than the United States. Declining birth rates also characterize Hong Kong, Mexico, and Poland.

Greater education of parents, perhaps of mothers, tends to improve the treatment of children, especially of daughters. The gap between the education of sons and daughters is smaller when parents are more educated.

More educated men and women tend to invest more in their own health and the health of their children. Indeed, education may be the single most important personal determinant of a person's health and life expectancy. I will only mention a few examples of the considerable evidence on the link between education and health.

Educated persons in the United

States and other rich nations are the least likely to smoke. Smoking in the United States is now found in significant numbers only among those with no college education, and is especially common among high school dropouts.

Education of the poor helps improve their food intake not only by raising their incomes and spending on food but also by inducing them to make better, healthier, choices. All the studies from different nations I have seen indicate that educated persons tend to consume a healthier diet even when the total amount spent on food is held constant.

Of course, the relation between education and better health and life expectancy involves causation in both directions, for greater health and lower mortality also induces larger investments in education and other human capital since rates of return on these investments are greater when the expected amount of working time is greater.

I do not want to create the impression that simply educating the population provides a magic wand to economic prosperity. Communist nations such as Cuba and North Korea did pretty well, at least on paper, in terms of the education levels of their populations. Years of schooling and literacy were high, and yet these countries had very poor economic performance. The Soviet Union was a third-world economy. Even East Germany, which was the pride and joy of communism, would be at an income level below that of South Korea if it had not received about $500 billion of help from West Germany.

Why did they do so badly even with educated populations? Because human capital is not enough. You also need the right economic environment. Systems that failed even though they had educated populations did so because they did not have the complementary aspects of a well-functioning economy: free markets, a flexible price system, and individual choice as to what type of education people want and what they are going to do.

You need a system where people who work harder get paid more. Why get an education or work hard if you are not going to be paid more than anyone else? I visited a few factories in China in 1981, when it was just beginning to open up its economy. When I walked through a room, the people started acting busy, but when I looked away, they stopped working. I asked why and discovered everybody was getting paid more or less the same. Equality of income produces a very low level of productivity. Everybody loses as a result.

In studies of countries, hundreds of variables have been tried. People have had all kinds of ideas of what determines economic success. Is it culture or society? Is it population growth or density? The two general variables that turn out to be important are human capital and the type of economic system. Does a country give the thousands of people it is investing in an incentive to work hard, to innovate, to develop good work habits, and to teach their children that it does pay to come to work on time and to work hard?

> "People have had all kinds of ideas of what determines economic success.... The two general variables that turn out to be important are human capital and the type of economic system."
>
> —Gary S. Becker

Human Capital and Education Policy

The significant role of human capital in the economy means that policies toward education, health, and other investments are important partly for their implications about economic prosperity, economic growth, and income inequality. I would like to make a few points on education policy before closing.

Education through secondary school in most nations tends to be dominated by public schools that charge no tuition; for example, 90 percent of students in the United States are in public elementary or high schools. Persons generally go to school in the neighborhoods where they live or in larger geographic units. Curricula and other programs are determined politically. There is no need for schools to compete for students by offering better programs or through tuition charges since the supply of students to a school is largely given.

This system works reasonably well for upper- and middle-class students, for their parents exercise considerable control over the schooling of their children. When these parents are dissatisfied with public schools, they may have means to enroll their children in private schools. Or they can move to communities with public schools more to their liking. Indeed, suburban communities in many developed countries compete for residents partly through the quality of their public schools. So to speak, residents vote with their feet if they do not like the public schools in their neighborhood.

But this system does not do justice to the schooling demands of poorer families who need good schools to

continued on page 11

Subsidiarity and Health Care Reform

Robert J. Mylod

An employee of a large regional bank is concerned because the bank's health insurance covers payment for abortions. She has no alternative source of insurance. Millions of others are in the same predicament, since most plans routinely fund the procedure.

Painful choices like the above are evolving out of a government/industry coalition that is rapidly but subtly concentrating power over the nation's health care system. Notwithstanding the overwhelming political defeat of nationalized health care during the first term of the Clinton administration, policy "experts" are quietly socializing the system. The recent proposals to expand Medicare and child care are the latest examples of this strategy. As a result, each of us is losing control of our medical destiny and being drawn into an ethically immoral thicket.

Pope John Paul II spoke with firsthand experience and with chilling accuracy about the effects of socialism on the individual and the society. In his incandescent 1991 encyclical, *Centesimus Annus*, he reasons that "socialism considers the individual person simply as an element, a molecule within the social organism, so that the good of the individual is completely subordinated to the functioning of the socioeconomic mechanism. Socialism likewise maintains that the good of the individual can be realized without reference to his free choice, to the unique and exclusive responsibility which he exercises in the face of good or evil." The pontiff goes on to say that "the concept of the person as the autonomous subject of moral decision disappears...."

Later on, he focuses on the crucial need to reduce decision-making to the most fundamental unit of society whenever possible. In articulating the traditional Roman Catholic social teaching on subsidiarity, he admonishes that "the social nature of man is not completely fulfilled in the state, but is realized in various intermediary groups, *beginning with the family* and including economic, social, political, and cultural groups which stem from human nature itself and have their own autonomy, always with a view to the common good."

One final citation from this work brings the performance of the United States health care system into sharp relief. The pope warns prophetically that "where society is so organized as to reduce arbitrarily or even suppress the sphere in which freedom is legitimately exercised, the result is that the life of society becomes progressively disorganized and goes into decline."

The Socializing of Medicine, The Anesthetizing of Health Care

How does this relate to the United State's health care system, and why is it significant? Let's answer this question by reviewing the "progress" we have made over the past thirty years. During this time, the exercise of freedom in making intimate, personal, health-care decisions has been suppressed by well-intentioned policy makers. Individuals have not been trusted to synthesize the complex and often bewildering array of options created by contemporary medical science. More and more, these decisions have been made by the government, large hospital chains, and huge health care insurers. Large corporations have pushed the system in this direction in their attempt to gain control over spiraling costs of health care.

The result has been increasing government intervention, skyrocketing costs, wrenching and dislocating price controls, and the approaching collapse of the very essence of quality health care—the patient/doctor relationship. With willing compliance to the cadence of government mandates, organized medicine has forced people of faith to support procedures fundamentally antithetical to their beliefs.

How did this system develop in the bastion of the free world? How did it become "progressively disorganized" and go into "decline"? Two trends are responsible for anesthetizing health care. First, Medicare legislation for seniors and Medicaid legislation for the indigent and uninsurable created the illusion of free health care. Second, employers, particularly large employers, began and continue to pay for all or most of employee health care insurance. Employees do pay for some of the insurance through a "co-pay" procedure; but they typically do not share in the decision-making process concerning coverage. Insurance coverage paid by the employer was (and is) not taxable income to the employee. Thus, there was little incentive to use the system prudently. Most consumers' sense of medical costs atrophied.

Without an informed consumer, the costs of health care grew rapidly. In response, the government imposed price controls on Medicare and Medicaid. Many hospitals then "cost shifted" by

raising prices for non-Medicare and Medicaid patients and began unbundling services.

Corporations turned to a bureaucracy called the "third party administrator" in an attempt to control the soaring costs. This zero-sum game added even more cost to the system. Many frustrated large corporations are now interested in socializing the health care system because it will transfer a great and growing cost burden onto other shoulders. Some aggressively lobbied for such a system during the first Clinton administration.

Subsidiarity Applied to Health Care

But socializing the system is not the answer. Health care is daunting and complex but understandable and manageable. If given enough control and information, most consumers will make far better decisions, the system will become more flexible and responsive, health-care-cost growth will approach the inflationary trend of the larger economy, and, most important, individuals will "do business" with doctors, hospitals, and insurers that conform to their moral principles in the practice and financing of medicine.

There is hope that such a system could actually develop. The principle of subsidiarity articulated in *Centesimus Annus* could very well be the philosophical fulcrum on which the health care system is reformed. In 1996, new federal legislation created an experimental tax-deferred savings vehicle called the Medical Savings Account (MSA). This new instrument is similar in some respects to the popular Individual Retirement Accounts (IRAs).

The Health Insurance Portability Act of 1996 did not easily become law. Senator Ted Kennedy and other supporters of big government social and health care programs held up the legislation for several months and threatened to filibuster it into oblivion. The resulting compromise is limited to 750,000 participant accounts. Only the self-employed and companies with fifty or fewer employees can participate. Once an MSA is established participants receive a lifetime entitlement to make tax-deductible deposits yearly. If successful, it is hoped that the concept will be extended to all citizens, just like IRAs.

Mechanically, the system works like an Individual Retirement Account; but the focus is entirely upon health care. The self-employed or small-company employee sets up, or is enrolled in, a high deductible major medical insurance policy with a maximum lifetime benefit of $2 million. A Medical Savings Account is then set up with a bank or insurance company. Pre-tax dollars are deposited annually. This money can be withdrawn tax-free, as needed, for covered medical expenses during the year. Once all the money in the account is depleted, the consumer pays for further medical expenses until the deductible has been reached. Then the major medical policy takes over and pays 100 percent of subsequent covered expenses for that year.

Any funds not used during the year, are invested. Interest income and capital appreciation accumulate untaxed until withdrawn, thus creating a major compounding opportunity. Funds withdrawn for nonmedical reasons before age sixty-five, are taxed at the marginal income tax rate plus a 15 percent penalty. This penalty is similar to IRAs. When withdrawn at age sixty-five, funds are taxed at the marginal tax rate.

Let's see how this works in practice. Assume that a couple at twenty-five years of age purchase a major medical insurance plan with a $3000 deductible (the minimum deductible for a family). They invest the maximum—75 percent of the deductible, or $2,250 annually—in an MSA. They withdraw $1,250 tax-free per year for payment of medical expenses. (This is $250 below the current national average, but reasonable, because individuals will make better and more optimal decisions about their own health care and its costs). The resulting savings of $1000 per year, invested at a tax-free compounded rate of 6 percent, produces a nest egg of $164,500 at age 65. This is in addition to other savings or retirement programs the couple may have already established.

With such a system in place, the balance of power shifts decisively. The consumer can now choose an insurer that provides adoption services, family counseling services, and other such programs. ValuSure Corporation, for example, markets a pro-life, pro-family major medical insurance plan with an MSA feature. Coverage for abortion, contraception, and sterilization are avoided, thus funneling money away from "culture of death" procedures, against which Pope John Paul II speaks so eloquently in his 1995 encyclical,

> "The principle of subsidiarity articulated in *Centesimus Annus* could very well be the philosophical fulcrum on which the health care system is reformed."
>
> —Robert J. Mylod

Evangelium Vitae. The patient, once again, is responsible for choosing the doctor (including specialists) and agreeing on the price for medical services directly with the doctor or hospital.

Money spent on health insurance premiums—even when paid by employers or generated by tax relief—now belongs to consumers. They choose only those services they actually need and, thus, will have financial incentives to lead healthier lives. The significant savings then compounds tax-free toward retirement health care or other expenses. As these "nest eggs" grow, pressure on the Medicare system will be relieved as more people are able to handle medical expenses later in life.

Greater discrimination and direct vigilance by consumers results in lower costs for the whole system. Much of this savings will accrue to the corporations that sponsor these programs. Doctors, knowing that their patients have a meaningful financial stake in the cost of their medical care, will be more thoughtful in dispensing medical care.

Medical Savings Accounts will be portable. When people leave or change jobs, they will take the coverage with them. This will significantly reduce the number of the uninsured in our society. Individuals and employees of small companies that do not have health insurance plans will no longer be discriminated against by the tax code. Currently, large companies make tax-deductible insurance contributions to the health care plans of their employees. Federal and state tax codes provide nearly $100 billion of tax relief to employees of these companies. Those forced to buy their own insurance must pay with after-tax dollars. This difference, created merely by one's mode of employment, is a clear tax inequity. The tax-deferred MSA would be available to *every* American tax payer.

But will this experiment work? Existing experience suggests that it will. Medical Savings Accounts are not new; they have been used by enlightened employers for several years. What *is* new is the experimental tax-advantage feature. The following story illustrates MSA's popularity with employees, even without tax deferral.

> If given enough control and information, individuals will "do business" with doctors, hospitals and insurers which conform to their moral principles in the practice and financing of medicine.

Jersey City mayor, Bret Schundler, did not wait for tax-advantaged MSAs. In 1995, Jersey City offered its 210 managers a medical savings account scheme. The program saved the city $22,000 in its first year of operation after half of those eligible enrolled. So far, union contracts have excluded the vast majority of the city's nearly three thousand workers, although many have expressed interest in participating. In the first year, 25 percent of participants used the full amount of the city's $1,800 per person contribution for health care expenses and more than half received 75 percent of the contribution as a taxable refund. 1996 was even better.

Is this concept too good to be true? Those who criticize it, generally think government should exercise control of the process in order to insure equality of access to the system. They tend to believe participants in such plans may not use the system for preventive health care or might fail to see doctors, when ill, in an attempt to build up principle in their account. This potential should be diminished by the tax penalty imposed if withdrawals are used for other than medical care. And will not the vast majority of citizens act in their own medical self-interest? This seems axiomatic.

Detractors also believe that tough medical underwriting by the insurers will tend to keep higher risk patients and uninsurable patients out of MSAs. There may be some truth to this, but if the concept is made universally available, the people falling into the high-risk pool will surely be much less costly to the government—and the taxpayer—than the nearly $290 billion now being spent annually on Medicare and Medicaid. Those in the MSA programs would encourage financial discipline within the system and, thus, save everyone money.

Perhaps, critics argue, universal implementation of this concept would have major negative implications for tax revenues. For Americans now forced to work, on average, into the second week of May every year to pay all their taxes, this news just might come as welcome relief. Many public policy "think tanks," including The National Center for Policy Analysis, contend that the savings squeezed from the system by responsible, consumer health care spending would more than offset lost tax revenues.

So, here we have a glimmer of hope for reordering the health care universe. It comes without a moment to spare. For, as we have seen, there are troubling philosophical and moral questions deeply embedded in this debate.

Medical Care and Moral Systems

Speaking of the collapse of atheistic communism in *Centesimus Annus*, Pope John Paul II emphasizes the responsibility of democracy to defend and venerate certain individual rights. These rights include, "the right to life, an integral part of which is the right of the child

to develop in the mother's womb from the moment of conception; the right to live in a united family and in a moral environment conducive to the growth of the child's personality; the right to develop one's intelligence and freedom in seeking and knowing the truth; the right to share in the work which makes wise use of earth's material resources, and to derive from that work the means to support oneself and one's dependents; and the right freely to establish a family, to have and to rear children through the responsible exercise of one's sexuality. In a certain sense, the source and synthesis of these rights is religious freedom, understood as the right to live in the truth of one's faith and in conformity with one's transcendent dignity as a person."

Many of these rights, including the expression of religious freedom, are being quietly eroded, as it turns out, by the socialization of medicine. Let us pray that Americans come to understand the enormity of the stakes—stakes that loom far more important than the economics of the system. Let them reassert control over health care and, in so doing, ever deepen their faith and live in conformity with their transcendent dignity by reestablishing a commitment to fundamental goodness in the conduct of their country's medical care. *A*

***Robert J. Mylod** is chairman of ValuSure Corporation.*

Human Capital and Poverty

continued from page 7

overcome weak family training and learning. Disadvantaged families cannot afford private-school tuition and can seldom move to communities with better public schools. Usually they must accept whatever public schools are available to them, no matter how poor.

To remedy these defects, a proposal that is growing in popularity is to give vouchers to students they can use to help pay their tuition at any school, private or public, that accepts them. Versions of this system have been partially implemented in Sweden, Denmark, Chile, and on a small scale in the United States.

The World Bank studied private and public schools in Colombia and Tanzania. But the most detailed studies compare public and private high school education in the United States. Private schools here, especially Catholic ones, spend much less per student than big-city public high schools, yet they are more successful in raising the performance and cutting the dropout rates of pupils. The reasons are not clear, although these schools are less subject to political interference that limits disciplinary procedures, and they manage to get parents and the neighborhood community closely involved in their programs.

Two recent studies conducted in Chicago show that Catholic schools in the United States raise earnings and other performance measures even after detailed efforts to implement selectivity corrections for the unobserved characteristics of students who attend private schools. What is especially important for this talk and the proposal to have vouchers for poor families is the evidence from these studies that students from disadvantaged backgrounds tend to gain the most from attending private schools. This is not surprising in light of the more extensive choices available to middle class and rich students.

I have discussed some evidence that relates investments in education and other human capital to employment and earnings, health and mortality, fertility and family size, and discrimination against girls in education, diet, and other ways. Overall, I believe the case is overwhelming that investments in human capital are one of the most effective ways to raise the poor to decent levels of income and health. *A*

***Gary S. Becker, Ph.D.,** is the 1992 Nobel Laureate in economic science and professor of economics at the University of Chicago. This essay was originally delivered at the International Symposium organized by the Pontifical Council for the Family in Rome, on March 6–9, 1996, on the theme, "The Family and the Economy in the Future of Society." It was first published in volume 1, number 2, of* Familia et Vita *and is reprinted with permission.*

Interview: Foster Friess

continued from page 4

it has benefited from the Judeo-Christian tradition. The story of the West is really a story about the great tussle between paganism and Judeo-Christian monotheism.

R&L: And what is that story?

Friess: On the one hand is paganism; it is a fundamentally superstitious view of the world that sees nature as god with no higher power to rule it. Humanity is powerless before this brute and faceless power of nature. The role of government under this system was to appease this unpredictable nature-god by any means necessary, even to the point of human sacrifice. Judeo-Christian faith stands in stark opposition to this worldview. It teaches that nature is not God, that in fact it was created by God, and that God maintains sovereignty over it. The creation story in Genesis makes it very clear that a loving God spoke the world into being and created mankind with a distinct purpose—to "glorify God, and to enjoy him forever," as the Westminster Catechism puts it. God then allowed His creative work to be shared by man. Man was endowed with the task of gaining dominion over the earth, of taming its resources, of managing its assets. This ethic of the majesty of creation and work helped create civilization. *A*

Wojtyla's Thought, John Paul II's Pontificate

A Review Essay by Derek E. Cross

As the years of his pontificate mount up, so do the books devoted to this singular pope, with the promise of some good things still in store, notably the forthcoming biography by George Weigel. From many angles, one has sought to fathom John Paul II's secret, or perhaps to glimpse his distinctive gifts at work, a contemplative actor surely but patiently shifting the tumblers of the vault of history. There are already several biographies to choose from, numerous collections of papal writings and speeches, clever analyses grinding any number of axes, and (for the intrepid) a cloudy and somewhat misleading translation of his Polish phenomenological studies.

Karol Wojtyla: The Thought of the Man Who Became Pope John Paul II
by Rocco Buttiglione

Wm. B. Eerdmans
1997. 400 pp. Cloth: $35.00

The present volume is not another book about Pope John Paul II; rather, as the English translators' title rightly suggests, it is about the *thought* of that private man, Karol Wojtyla, who stands in disjunct continuity with the present incumbent of the chair of Peter in Rome. For with the election of Karol Cardinal Wojtyla as the 264th pope of the Roman Catholic Church, the philosophical project of Wojtyla came to an end, and Pope John Paul II's magisterial teaching, which is to be interpreted according to quite other methods than his philosophy and which carries an entirely different weight, situated itself athwart the line of Wojtyla's intellectual investigations. However, even if a papal encyclical is to be understood primarily as a continuation of a series inaugurated by his episcopal predecessors in their office of teaching apostolic doctrine, it is nonetheless also true that a pope's personal cultural formation informs and therefore somewhat illumines his official writings. It is also the case that the incomplete private intellectual investigations of such a man as Wojtyla may still provide valuable clues for new lines of inquiry. Buttiglione's book, then, is at once an inscription of historical record, a purveyor of supplemental background, and an invitation to participate in the construction of a new philosophy of man.

Fresh Perspectives of an Unconventional Political Philosopher

The English translators, Paolo Guietti and Francesca Murphy, have supplemented Buttiglione's text—long available in the original Italian edition (1982) and in French and Spanish translations—with a detailed afterword summarizing the fifteen years of Wojtyla studies that have elapsed since the first publication of this book, and also with a useful appendix that supplies Buttiglione's introduction to the third (and definitive) Polish edition (1994) of Karol Wojtyla's key philosophical work, *The Acting Person.* This appendix has a particular interest for friends of the Acton Institute; it amplifies the subtle hints contained throughout the book as to how Buttiglione evaluates and proposes to continue Wojtyla's philosophical work.

Buttiglione is a true Renaissance man. He is a politician, serving as chairman of Italy's Partito Populare. He is quondam Vice Rector of the International Academy of Philosophy in Liechtenstein. He is author of many books and a dialectician of no mean ability. The reader who would use this book only to bolster up a predetermined political thesis would rob himself of much it has to offer: fresh perspectives of an unconventional political philosopher and hints limning a clearsighted and judicious philosophico-political project. An American unfamiliar with continental philosophy or intellectual history can approach Buttiglione's project most readily through its social and political dimensions, although he should be warned that Buttiglione is not a publicist who is merely content to gesture toward the roots and ground of culture; he expertly excavates them.

What first emerges from Buttiglione's reading of Wojtyla's philosophical work is a picture of classical Thomistic philosophy of being and order, supplemented by a phenomenological emphasis on human subjectivity and freedom. Thus, typically modern concerns with such subjective phenomena as the dynamism of the passions, cultural constructions, the value of democratic political participation, and human rights and freedom are integrated into an objective, nonrelativistic metaphysical framework. In contrast to several

similar syntheses, Wojtyla does not attempt to reconstruct metaphysics and anthropology on a strictly phenomenological basis, but instead seeks to show the necessity of fulfilling his initial phenomenological description through a metaphysical understanding.

Irreducibility of the Acting Person

This has ramifications, as Buttiglione demonstrates, for Wojtyla's moral philosophy, for his studies of human action and community, and for his appropriation of the documents of the Second Vatican Council. It even manifests itself in his drama and poetry. Throughout, Buttiglione exhibits the integral role of cultural formation by his luminous summaries of Wojtyla's Polish intellectual background in comparison with Buttiglione's own, more Italian, *Wissenschaft*. For many American readers, finding references to Kotlarczyk, Norwid, Krasinski, Lubicz-Milosz, Swiezawski, Del Noce, Vico, Mazzini, and Rosmini, side by side with such old stand-bys as Saint Thomas Aquinas, Kant, Scheler, Marx, and Adorno, will be plowing new territory. But even if the body of scholarship that forms the horizon of this book may be unfamiliar, the issues are readily accessible. One is not compelled to go to an intellectual reeducation camp run by Derrida, Lacan, Levinas, or Vattimo.

For the first audience of Wojtyla's intellectual works—Eastern Europeans during the communist era—the immediate effect of his phenomenological supplement to classical Thomistic philosophy was to open up an alternative to the all-encompassing Marxist dialectic that robbed human life of its meaning by expunging any reference to the personal subject. Hence, Wojtyla's emphasis on the irreducibility of the acting person. Without forgetting this lesson, Buttliglione's appendix points to aspects of Wojtyla's thought that still remain to be followed up under contemporary circumstances, both in Eastern Europe and the West.

Buttiglione sets aside the common notion that Eastern European countries, after the collapse of communism, are simply playing catch-up to their more advanced Western neighbors. The Eastern European experience of coming out from under communist tyranny (including the intellectual component of this struggle documented in works like Wojtyla's) bears an important lesson that the West, too, must now assimilate for the sake of its own identity. Although the market economies of the West seem to be fundamentally healthy, Western democracy is not at all immune from a crisis of its own. Buttiglione's understanding of this crisis is precise: It is rooted in an ethical deficiency, which drives certain political demands that issue in economic fiasco, entailing the crisis of the state.

More concretely, the reign of ethical relativism evacuates the public realm of all non-arbitrary criteria of judgment and thereby removes the grounds of authority of the "political class." Unconstrained by any commonly intelligible rationale, organized social groups are set free to push their own interests and seek special privileges from the state. The political class, with no publicly accepted criteria to discriminate among these claims, seeks to appease discontent by yielding to the strongest pressures brought to bear upon it.

But this is fool's counsel straight to a stance set in quicksand, because "everyone is convinced of being at a relative disadvantage in comparison with luckier ones who obtained more." The state budget courts financial disaster, attempting to satisfy every powerful social claim. State debts can shift costs for the short term, but when the time eventually comes to repay the debts, the "crisis of the state" has arrived. Buttiglione's argument here is to be distinguished from Marx's prognostications about the crisis of capitalism. The crisis Buttiglione identifies is not in essence economic but is, rather, the *political* crisis of a democracy whose moral relativism sends it off into the future, flying blind.

Individualism, Collectivism, Community

Clearly opposed to the politics of unprincipled redistribution, Buttiglione dismisses as merely "the other extreme" that individualistic proposal that would go beyond dismantling the welfare state and altogether repudiate the role and value of the political sphere itself, including "the rights and duties of the state in regard to political intervention in the economy." He notes, however, that there is a striking parallel between the methodological individualism of Ludwig von Mises or Israel Kirzner, which traces the economic phenomenon back to the individual agent engaged in it, and the objective personalism of Karol Wojtyla, which analyzes the fulfillment of human destiny through free action. Thus "a comparative reading of Mises' *Human Action* with [Wojtyla's] *The Acting Person* would be very engaging." According to Buttiglione, Wojtyla's personalism introduces a new inflection and

The present volume is not another book about Pope John Paul II; rather, it is about the *thought* of that private man who stands in disjunct continuity with the present incumbent of the chair of Peter in Rome.

does not offer a simple endorsement or Polish carbon copy of the Austrians' individualist premises. Wojtyla thematically treats the community as an intrinsic dimension of the individual subject's action and not a totalitarian intrusion upon it: "Acting together with others is a fundamental dimension of acting." Thus, the integrity of the political sphere, together with the rights of the market, can be grounded on a concrete understanding of "acting together with others."

If the proper autonomy of the political sphere marks one boundary to the extension of market logic, the other is traced out by the autonomy of ethical discourse. Wojtyla's ethics is founded on the "objective value of the human person." Recurrence to this primary phenomenon should "frame" the economic act as a "decisive but not exhaustive part of the whole."

Buttiglione is, of course, aware that by marking these boundaries he merely hints at possible developments to be taken in concrete practice. The hard work of assimilating Wojtyla's analyses and deducing new and unexpected consequences from them, for example, of reading *Human Action* together with *The Acting Person* in order to flesh out Buttiglione's suggestions, is a task yet remaining. That Michael Novak, Richard John Neuhaus, and the Acton Institute have, in various ways, contributed to this work explains Rocco Buttiglione's collaboration with them. (Buttiglione recently went so far as to seize upon Lord Acton's name for an institute he himself was helping to organize in Italy). Buttiglione's brilliant reading of the Wojtyla corpus in this book, one hopes, will further collaboration along these lines and provoke other fresh applications of Wojtyla's fertile thought. *A*

Rev. Mr. Derek E. Cross *is a deacon in the diocese of Lansing, Michigan.*

Book News

Empire Builders:
How Michigan Entrepreneurs Helped Make America Great
Burton W. Folsom, Jr.
Rhodes & Easton, 1998
232 pp. Paper: $12.95

In *Empire Builders*, Dr. Folsom again picks up the themes developed in his earlier book, *The Myth of the Robber Barons*—but with a Michigan twist. By telling the inspiring stories of key Michigan entrepreneurs—such as William Durant, Herbert Dow, Will Kellogg, and Henry Ford—he demonstrates that, contrary to common historical opinion, these men were neither robbers nor barons. They were not barons, for all came from humble origins and achieved success through their creativity and hard work. And they were not robbers, for in a free-market system one can only make money through voluntary exchange.

Another fine feature of this book is the way these stories illuminate the rare convergence of qualities that make for entrepreneurial success. First, these men were given remarkable natural talent. Second, this talent was coupled with uncommon virtues, such as courage and industriousness. And finally, these gifts and virtues were directed toward lives of business service.

Indeed, the most remarkable common trait of these men is that they built business empires established, in Dr. Folsom's words, "not by force but by service." By bringing products to market that met the needs of their consumers, they were acting on the biblical principles, "Do unto others as you would have them do unto you," and, "Give and you will be given unto." Dr. Folsom has done a great service in retelling these stories and so reminding us of the moral seriousness of the business vocation.

Between Jesus and the Market:
The Emotions That Matter in Right-Wing America
Linda Kintz
Duke University Press, 1997
302 pp. Paper: $15.95

In *Between Jesus and the Market*, Linda Kintz sets out for an ambitious goal but in the end misses it terribly. Her purpose: to analyze the "psychological makeup" of those in the "Christian right-wing movement" and their "revisionary reconstruction of the role of emotions in political life." This is fertile ground for thoughtful commentary, to be sure, but Professor Kintz makes two chief errors in its execution.

First, this book is practically unreadable. The reader is too often asked to slog through typical deconstructivist litcrit passages, such as: "Limbaugh's rhetorical style frames a performative construction of 'authenticity' within the internal postmodern frontier." T. S. Eliot she ain't.

Second, Professor Kintz has avoided any substantive and sustained critique of the *ideas* of the conservative movement, and thereby misses the real story. This is, no doubt, due to her postmodern frame of mind that rejects the notion of absolute truth, and her deconstructivist approach to literature that values appearance over substance. Ultimately, her effort to analyze the Christian right is stymied by her clear derision of its culture. It is obvious by the end of her narrative that she understands the religious right no better than when she began.

—Gregory Dunn

Rev. Robert A. Sirico

Cuba Is Part of the Pope's Evangelical Mission

Commentators are still trying to understand just what Pope John Paul II was up to in visiting Cuba. Surely, many muse, the most skillful geopolitical strategist to ever preside in the papal suites must have had a secret political agenda. Is he trying to do for Cuba what he did for Poland? Or, as several dispatches have suggested, does he feel an ideological attachment to Fidel Castro's anticapitalist economics?

Both assessments are wrong, as is clear from the remarkable events that took place in Cuba the week of the papal visit. The point of his visit was illustrated to me by a local underground entrepreneur who is a very poor father of two. He pointed out that the first time he had seen Mr. Castro in a business suit was that week. He interpreted this as a sign of deference and a reminder that there are some forces more powerful than politics—despite the four-decade-old, hyperpoliticized climate of Cuban life. And what are those forces? This entrepreneur summed them up in two words: "Truth and hope."

> The point of the pope's visit can be summed up in two words: "Truth and hope."

This is what the Pope intended to bring. He knows that this is the least Catholic nation in Latin America. At the same time, the people here are starved for meaning that extends beyond tiresome clichés about the "revolution" and the centrality of the state. It is a nation hungry for the Gospel and for the normalcy that allows its discovery.

The pontiff's agenda has never been a secret. His plan is available for all to read in an apostolic letter, issued to the church faithful in 1994, called "Toward the Third Millennium" on the preparation for the Jubilee Year of 2000. The letter is a clarion statement explaining that the primary purpose of his visits world-wide is pastoral. He wants to prepare the church for a cleansing of sin and a spiritual renaissance to reinvigorate the faithful, and to seek the conversion of souls in advance of the turn of the millennium. This is, he writes, "the hermeneutical key of my Pontificate." Further, the turning of the millennium represents an opportunity to put the most brutal century behind us, and look forward to a new flowering of faith.

Applying this agenda in Cuba, the pope wanted to reignite the Catholic faith, which has been artificially suppressed by the state. This goal is in the process of becoming a reality, as was obvious from the outpouring of emotion, elation, and gratitude on the occasion of his visit.

The light began appearing even before the pope arrived. In advance of the visit, and under Vatican pressure, last year Mr. Castro declared Christmas a state holiday for the first in three decades. Religious signs and crucifixes, banished from public view until recently, were everywhere to be seen. Seeing my Roman collar, people stopped me many times on the street with questions about the faith, including "How can I be baptized?" The week of the pope's visit Cubans of all ages wore the papal colors of white and yellow.

It seems clear that the Church is coming alive in Cuba, exactly as the pope has hoped. Thus the primary goal of his visit is being achieved. But that pastoral intent can have unpredictable cultural and political effects as well. The pope's message of liberation from sin is not just for the citizenry of Cuba. He undoubtedly has hopes for the conversion of the state-affiliated oppressors as well. The speaker of the Cuban Parliament now respectfully refers to him as the "Holy Father" and "His Holiness."

In "Toward the Third Millennium," the Pope notes that the secular Roman historians of Jesus's own time were caught up with "more stirring events" and "famous personages" and "first made only passing, albeit significant references to Him." The course of history was altered immutably nonetheless. So it is with this visit of the Vicar of Christ to a nation still in chains. *A*

***Fr. Sirico**, co-founder and president of the Acton Institute for the Study of Religion and Liberty, was in Cuba the week of the pope's visit. A longer version of this article appeared in* The Wall Street Journal*, January 23, 1998.*

"The best things that are loved and
sought by men are religion and liberty,
not pleasure or prosperity,
not knowledge or power."

—Lord Acton—

RELIGION & LIBERTY

A Publication of the Acton Institute for
the Study of Religion and Liberty
161 Ottawa Ave., NW, Suite 301
Grand Rapids, Michigan 49503

Non-Profit Organization
U.S. POSTAGE
PAID
Grand Rapids, MI
PERMIT NO. 986

Forwarding and Address
Correction Requested