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Is there a cure for America's discontent?

A roundup of Acton writers and lecturers

A Journal of Religion, Economics and Culture

Editor's Note



Sarah Stanley
Associate Editor

The snow has finally melted in West Michigan, which means it's time for the year's second issue of *Religion & Liberty*. Recent news cycles have been plagued with images of angry Americans, students protesting and populist discontent. The 2016 presidential election has really brought to light that the American people are angry—specifically with American leadership. Here at the Acton Institute, we're interested in looking more deeply at these issues, particularly if there is a cure for this great discontent. To understand the issues, we've rounded up experts on employment, trade, millennials and other issues surrounding the 2016 race to the White House. The roundup

features Justin Beene, Ismael Hernandez, Ann Marie Jakubowski, Jared Meyer and Vernon L. Smith discussing these themes.

Earlier this year the U.S. Supreme Court suffered a great loss with the passing of Antonin Scalia. He was known primarily for his sharp wit and devotion to the U.S. Constitution, but he was a great father and a friend to those ideologically opposed to him as well. He was also an Acton supporter and gave an excellent speech for the seventh Acton Institute Annual Dinner. Because his words on the Constitution are still so significant today, a portion of the speech has been excerpted as the essay, "What is our Constitution?" He is also featured in this issue's "In the Liberal Tradition."

Acton's director of research, Samuel Gregg, has written a new book titled *For God and Profit: How Banking and Finance Can Serve the Common Good*. Stephen Schmalhofer breaks down

Gregg's latest book in a review. If that's not enough to whet your appetite, this issue also includes a short excerpt of the book titled "Getting justice right."

The Double-Edged Sword looks at Psalm 139 and reflects on our relationship with God. It's through our everyday, ordinary relationships with other people that He is revealed.

June is mere weeks away, which means that Acton University is right around the corner! For the FAQ, Kris Mauren, Acton's executive director, explains what can be expected at our biggest conference and details the lineup of keynote speakers.

To close this issue, Rev. Robert Sirico ponders religious liberty, discussing the theme throughout history and what it means for us today, especially given the current cultural and political climate. Many brave individuals have fought for our religious freedom; we should never take it for granted.

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Cover Photo: "2016 Presidential elections in Pittsburgh" by Gene J. Puskar, April 13, 2016. Source: Associated Press

Inside Photos: Pg4: Scene at the Signing of the Constitution of the United States. Source: The Indian Reporter; Pg7: Wall Street by Alex Proimos, July 4th, 2011, Wikimedia Commons; Pg8: Pio XII - Luis Fernández-Laguna 1958 by Luis Fernández García, 2014 Wikimedia Commons; Pg14: Antonin Scalia, Source: Collection of the Supreme Court of the United States.

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Is there a cure for America's discontent?

A roundup on populism, trade and the market economy

For this Religion & Liberty interview, we've rounded up data about unemployment, the economy, free trade, talking points from the 2016 presidential election and more. We're interested in getting different viewpoints from Acton writers and lecturers on what the data show.

In a March column titled "The view from the rustbelt," the Economist writer Lexington began with these lines: "America feels sick at heart this year. Can conventional politics cure that malaise, or will voters turn to those peddling radical remedies, from trade wars to high border walls?" Indeed, after decades of bipartisan agreement on the benefits of free trade and the market economy, that consensus appears to be in tatters. Massive voter turnout in presidential primaries, spurred on by the populist appeal of socialist Democrat Bernie Sanders and anti-trade Republican Donald Trump, is giving heartburn to those who have advocated for smaller government and deeper participation in an expanding global economy. As Lexington concludes in his column, blue-collar workers feel passionately "that the economy is stacked against them, and want larger changes to capitalism than mainstream politicians can deliver. What then?"



Justin Beene is the director of the Grand Rapids Center for Community Transformation, a partnership between Building Bridges Professional Services, a social enterprise that trains and employs high-risk youth, and Bethany Christian Services. He serves on the Board of Overflow Christian Community Development

Association in Benton Harbor, Michigan, and the International Advisory Board of the Center for Transforming Mission in Guatemala City, Guatemala.



Ismael Hernandez is the founder of the Freedom & Virtue Institute. He grew up in Puerto Rico as the son of a committed Marxist and a founding member of the Socialist Party. When he came to America to attend graduate school, his experiences began to slowly shatter his preconceived notions about the United States and his avid communist beliefs. He began to read writings of and about America's Founding Fathers and learned the principles of America's origins. He is the author of *Not Tragically Colored: Freedom, Personhood and the Renewal of Black America* (2016).



Ann Marie Jakubowski is a Grand Rapids native and a former intern at the Acton Institute. She currently resides in Philadelphia, where she is pursuing a Master of Arts degree in English literature at Villanova University.



Jared Meyer is a fellow at the Manhattan Institute. He is co-author, with Diana Furchtgott-Roth, of *Disinherited: How Washington Is Betraying America's Young*. Meyer's research has been featured in numerous publications, including the Wall Street Journal, the New York Times, Yahoo! Finance, National

Review, RealClearPolitics, the Los Angeles Times and the New York Post. He is interviewed frequently on radio and TV, including on BBC World Service, Fox News and NPR.



Vernon L. Smith was awarded the Nobel Prize in Economic Sciences in 2002 for his groundbreaking work in experimental economics. He has the George L. Argyros Chair in Finance and Economics and is a research scholar in the Economic Science Institute at Chapman University. He is the president and founder of the International Foundation for Research in Experimental Economics. He has an undergraduate degree in electrical engineering from the California Institute of Technology, a master's degree in economics from the University of Kansas and a doctorate in economics from Harvard.

UNEMPLOYMENT

According to a National Bureau of Economic Research study, unemployment rates may not hit pre-recession levels until the 2020s. From a prerecession level of 66 percent, labor-force participation dropped to 62.7 percent in September 2015.

R&L: How do we get people working? How do we reengage the individuals who have given up on finding work, especially minority/underprivileged individuals who may see

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Justice Scalia speaking at Acton's 7th Annual Dinner

What is our Constitution?

By Antonin Scalia

For the seventh Acton Institute Annual Dinner on June 17, 1997, Justice Antonin Scalia gave the evening's keynote lecture. Despite having spoken these words nearly two decades ago, the message is just as important today as it was that evening. The following essay has been transcribed and excerpted from that speech. The full audio is available online on Acton's PowerBlog. In honor of the late justice's significant promotion of freedom and virtue, he is also featured in this issue's "In the Liberal Tradition" on page 14.

I want to talk about the Constitution of the United States, something to which I devote a fair amount of my time these days. There is really nothing like it in the world. It is not a great constitution simply because it's our Constitution. Never again in the history of mankind will a governing document be put together by political parties figuring out how to passel out the power the best way. It will never happen again. From mid-May to mid-September, the most respected and politically experienced people in the nation spent every day of the week in Philadelphia. That's a whole baseball season. You know that it would not happen that way again today. The great men and women would go up to Philadelphia and they would adopt some general principles and say, "Let the staff work out the details," and they'd go back to Washington.

I'm a textualist and an originalist. I do not believe that its meaning evolves over generations so that to each age it contains everything that's good and true and

beautiful, even though it's not really written in there. My philosophy was, until recently, not only not weird, it was orthodoxy. Everybody at least said that the Constitution was that rock, that unchanging, fundamental document that means today what it meant yesterday. And it's our salvation. Now they didn't always follow it. It isn't that you didn't have willful judges who would twist and

distort it in the past. But the difference was in the good ol' days they had the decency to lie about it. They would say, "You know, it used to mean that but ..." That was a lie. Hypocrisy is the beginning of virtue. Today you do not have to lie about it. You just simply say, "Well, it ought to mean that. And therefore it means that." We indeed have opinions. It is a development that has occurred probably in the last 35 years or so in American constitutional jurisprudence. So that something that was not cruel and unusual punishment then may be cruel and unusual today because it evolves. Our opinions say, "To reflect the evolving standards of decency of a maturing society." That's the language in our opinions. Let me say it again, "The evolving standards of decency ..." It is so Pollyannaish. "Every day in every way we get better and better. Societies only mature. They never rot." Now, that is, of course, not the frame of mind of a group of men who think there is a need for a Bill of Rights. They are less Pollyannaish. They have less confidence that humanity will be better or even, indeed, as good in the future as it is today. I mean, surely the whole purpose of a Bill of Rights is precisely to stabilize certain provisions so that they cannot be changed by a future and less virtuous generation. That's the kind of frame of mind they have. And that frame of mind is reflected in my kind of constitution, but it is not reflected in the Constitution that we have today and that most lawyers, most judges, and, worst of all, I'm afraid, most



Signing of the Constitution of the United States.
Source: The Indian Reporter

Americans believe in. And many of you probably believe in it, although you don't know it. That is, you have heard the phrase "the living Constitution." That wonderful document that grows with the society that it governs so that it always reflects the best virtues of that society. It's a tough thing to argue against. I am trying to sell you a dead Constitution, right? You're at a disadvantage right away.

When I was a kid growing up in New York City, in Queens, it was simpler. When people got frustrated with the state of affairs in the world or in government, they would pound the table and say, "There ought to be a law." A good, healthy democratic reaction, I thought. What they now say is, "It's unconstitutional!" I mean, if there is anything that really is bad it must be unconstitutional. Never mind the text. It doesn't matter. The text is irrelevant. We've got a due process clause; we'll squeeze it in there somewhere. But if it's really bad, it has to be unconstitutional. To take another example from popular culture, there was a while back an ad on television for some pizza sauce. I think it was Prego pizza sauce. The husband in this ad, he asks his wife, "You're going to buy this store-boughten sauce? Does it have oregano in it?" She says, "It's in there!" He says, "Yeah, but does it have pepper ...?" "It's in there!" "Does it have ...?" "It's in there!" "What about basil?" "It's in there!" We've got that kind of a constitution now. What do you want? You want a right to an abortion? It's in there! You want a right to die? It's in there! Whatever is good and true and beautiful. Never mind the text. It's irrelevant.

Another problem with rejecting textualism and originalism. This is really the killer argument. It's a terrible thing to do, but ask the law professor on the other side, "Ok, suppose I agree with you, that originalism is not the proper method of interpretation. We'll use your method of interpretation. What is your criterion?" Profound silence. There is not

even another candidate in the field. It is not enough to be a non-originalist, to say, "You know, I don't believe that what governs us is the original meaning of the text." That just means you don't agree with me. If you're not an originalist, you've got to be something else. What is your theory of interpretation if it is not originalism? Non-originalism is not a theory. And, you know, once you ask for that, you'll get as many different criteria as there are law professors. The philosophy of Plato? The philosophy of John Rawls? Natural law? You either use originalism or you use nothing, which is—those areas where we've made up the Constitution—essentially what we

"I will conclude on the unhappy note that unless we turn back from this approach to the Constitution, I really think we will destroy the republic or destroy the value of a written Constitution and a written Bill of Rights."

use. There is no criterion. If you want your judges to just vote with their guts, fine. Originalists don't always agree. Clarence Thomas is an originalist. We will disagree as to what the original meaning was now and then. But we know what we're looking for anyway.

I will conclude on the unhappy note that unless we turn back from this approach to the Constitution, I really think we will destroy the republic or destroy the value of a written Constitution and a written Bill of Rights. Because ultimately, if the Constitution does not bear a fixed meaning that can be figured out by lawyers, then its meaning will be determined by who do you think? The majority. I mean,

the people have come to figure out that I don't know anything any more about whether there's a right to or whether there ought to be a right to die than they know. I mean, I don't know any more than Joe Six-Pack. This is not a lawyer's question. The people have come to figure that out. And when they come to figure that out, they also figure out that they should select their Supreme Court justices not on the basis of whether these people are good lawyers. Because they're not doing lawyers' work anymore. They should rather select them on the basis of whether they agree with them on whether there ought to be a right to this, that and the other thing. And that is what our confirmation hearings have deteriorated to. If that is what the Supreme Court is doing, that is what those hearings ought to be like. It's inevitable though; the people will take that back to themselves. And it is the people whom the senators represent in those hearings. And they will ask one nominee after the other, "Do you think there is a right to this in the Constitution?" And he says, "I don't think ...". "You don't think there is one? Why? I certainly think there is, and my constituents think there is. And if you don't think that right is not in that Constitution, I'm certainly not going to vote to confirm you. Now, what about this other right? Do you think that's ...?" He's just really quite, quite mad. Conducting a mini plebiscite on the meaning of the Constitution of the United States every time you select a new Supreme Court justice. But it will inevitably be that way, and it ought to be that way. If the Supreme Court is not doing the work of lawyers, which is doing the work of taking a text and interpreting it the way lawyers interpret text to discern what was its original meaning. So I am not at all hopeful that it's possible to get back to where we were. Really. It is such an alluring, enticing philosophy to believe that the Constitution means whatever you think it ought to mean. How do you talk somebody out of that? It's a wonderful, wonderful thing. And judges who

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are non-originalists, who think the Constitution means what it ought to mean, they go home happy every night.

Really. They never make a decision they don't like.

I make a lot of constitutional decisions I don't like. I was the fifth vote in the flag-burning case because I am a strict constructionist. My reading of the First Amendment is that it protects freedom of expression. If you interpret the First Amendment literally, "This Congress shall make no law abridging the freedom of speech or of the press." Well, I guess handwritten letters are neither speech nor press, so the government ought to be able to censor handwritten letters, right? Of course not. That's strict construction, but it's silly construction. You don't interpret a text that way. I interpret the First Amendment, when it says "speech and press," it is using the figure of speech called synecdoche. You name a part to represent the whole, as in, "I see a sail." Speech and press represent expression. That's the way I read the First Amendment. So I said, "If somebody burns his own flag, it's his flag. He's doing it to show contempt for the government, contempt, even, for the flag. He's entitled to express contempt for the flag." I was the fifth vote. It didn't make me happy. I do not like, I used to say, bearded people who go around burning flags. I came down to breakfast the next day and my wife, the lovely Maureen, who, you know, has a sharp Irish tongue, is standing at the stove humming "Stars and Stripes Forever."

You don't have to put up with that kind of stuff if you're not an originalist, because the Constitution means what you want it to mean. It's wonderful. It's very hard to talk people back out of it. I've tried to talk you back out of it tonight. I hope you will try to talk your friends back out of it. And you don't have to call it a dead Constitution. Let's call it the enduring Constitution. ■■■■

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

Psalm 139:1-3

You have searched me, LORD, and you know me. You know when I sit and when I rise; you perceive my thoughts from afar. You discern my going out and my lying down; you are familiar with all my ways.

One of the great characteristics of the Lord is that he cares and delights in us personally. Nothing about his character is impersonal or distant. God is always relational. His Trinitarian nature speaks to the very fact that God reveals himself in and through relationships.

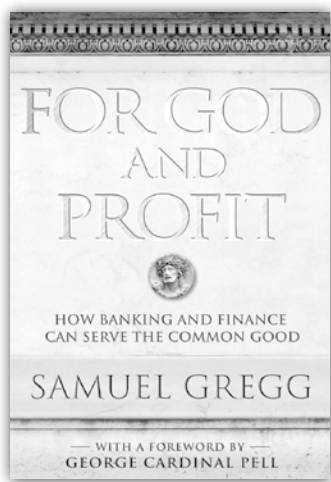
For many people, the thought of God knowing everything about them is terrifying. For others, it is unfathomable to ponder the history of creation and realize that there never was a time that they were unknown to the Lord. God knows our thoughts every day, even long after we have completely forgotten them. This is good news, because the deepest desire of the Lord is to be united with us.

Much of our culture is adamant in trying to ignore or even flee from God. This has been true since the fall of humankind through Adam and Eve, and one can see the evidence all around them as our culture quickly works to eviscerate reminders and references to God. However, this does not punish God; it punishes only us. Some people even try to fool God or strike bargains with God for His favor or blessings. They are confused about not only the Lord's power but also what He desires from them.

The greatest revealed truth is that the Uncreated One came down from heaven as man to save and redeem us. Even when God sees humankind at its worst, His desire is to be in fellowship with us continually. When we spend time delighting in the Lord and studying His ways, we learn through Jesus Christ that He reveals not only God to us but also man to his true self.

While this passage is a powerful reminder of the omniscience of the Lord and the importance of holy living, it's also a reminder of the Lord's deep love for creation. It reveals to us that God knows more about our true selves than we could ever know. He wants us to search the truth of His revelation and discover what He already knows—that we are "fearfully and wonderfully made."

God ultimately uses his boundless knowledge to reach out to us in relationship. When we speak to and study God, we are ultimately learning the truth about ourselves. The psalmist continues in this passage (verse 12) to note that even the "darkness is as light to you." Humankind, in all its darkness and evil, is wrapped up in the Lord of all creation to give us "the light of all mankind."



Finance and the common good

By Stephen Schmalhofer

A Review of For God and Profit: How Banking and Finance Can Serve the Common Good (Crossroad, 2016).

The Jesuits control the Federal Reserve. This conspiratorial New York subway graffito is perhaps a small sign that the church's relationship to financial markets remains misunderstood. Financial judgment and moral judgment are different, but not unrelated, skills. Both must be learned and disciplined. Graham and Dodd managed 770 pages on security analysis, yet Aquinas left an unfinished summa with more than 3000 pages. A financial professional spends years learning markets, analyzing businesses and pricing risk. He learns to separate signals from noise, correlation from coincidence. He takes seri-

ously St. Paul's counsel to "test everything; hold on to what is good" (1 Thessalonians 5:21). In a profession based in computer screens filled with financial abstractions, it is easy to see how one could succumb to paralyzing ennui or limitless greed. To help professionals, public officials, church leaders and the faithful assess decisions made in the financial markets, Samuel Gregg offers a lucid and comprehensive

guide to the church's intellectual history in financial thought. *For God and Profit* is also an accessible review of contemporary themes in public finance and an insightful reflection on the vocation of finance.

In his previous books, *Tea Party Catholic* and *Becoming Europe*, Gregg proved him-

self to be a talented economic and political historian and analyst. In *For God and Profit*, he has more room to chart the church's early history in financial matters, from premodern usury prohibitions to the medieval depositaries run by the Knights Hospitallers. Instead of tediously tracking theological skirmishes, Gregg guides the reader through the church's developing understanding of concepts es-

sential to modern finance and economics: private property, the time value of money, opportunity cost and the price-information system.

Gently yet firmly reminding senior churchmen and members of the faithful to gain sufficient knowledge before rendering moral judgment, Gregg challenges several misconceptions about finance. For example, though recent popes have denounced speculators, Gregg reminds us that risk-taking and price-setting are essential to the prosperity generated by free-market exchanges, and the scapegoating of middlemen is a technique often used by government officials to distract from their own failures. After patiently explaining routine yet popularly misunderstood market operations like

short selling, Gregg recalls the humble and prudent words of Pope Benedict XVI: "If we do not deal competently with the matter, it will not be credible."

A generous writer, Gregg introduces several important thinkers, including many who will be new to nonspecialists. With apologies to the tinfoil-hat crowd, the Jesuits do not control the Federal Reserve.



short selling, Gregg recalls the humble and prudent words of Pope Benedict XVI: "If we do not deal competently with the matter, it will not be credible."

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But the Scholastic Jesuit Juan de Mariana is perhaps deserving of the title “The Pro-to-Volcker” for his evergreen insights in *A Treatise on the Alteration of Money*. Considering the case for stable money, Gregg observes that Mariana “saw currency debasement as something that benefited the government at the people’s expense.” Mariana drew an analogy to the role of standard weights and measures in merchant activity. No isolated theoretician, Mariana witnessed the financial collapse of his home country Spain in five official state bankruptcies from 1557 to 1607. For Mariana, refusing to debase the coin of the realm while instead reducing royal spending (tighter fiscal policy) was not vicious austerity but a just response to economic reality.

A perceptive observer of contemporary policy debates, Gregg notices a trace of false nostalgia in the public discourse on financial regulation. Gregg does not dispute that financial regulation can be necessary and just. But it is worth considering that



Pio XII - Luis Fernández-Laguna 1958

oft-decried financial deregulation enabled plummeting costs to access investment opportunities of increasing quality for even the smallest investors. In 1980, the average stock mutual fund had an expense ratio over 2 percent, usually with an additional upfront fee of 8 percent and required a nontrivial minimum amount to invest. Today, an individual investor can invest a minimum of about \$50 in a broad stock

market index fund (ETF) for only 0.03 percent in expenses with zero upfront or transaction costs. Consumer finance startups are challenging traditional banks and pushing costs down for student loans, money transfers, investment advice and other retail finance products. Reflecting on the rapid pace of innovation and specialization in the industry, Gregg urges patience and humility to those tempted to make quick and broad moral pronouncements.

In modern times, the church’s moral reflection on finance has been underdeveloped. Beyond generic spiritual counsel against greed, Gregg notices very few substantial Christian treatments of the topic from the 17th century until the mid-20th century. Yet the industry continued to absorb a greater share of the workforce, especially young university graduates in recent decades. So how does a Christian respond to the banker at the bar in Whit Stillman’s *Metropolitan* who shares his existential dilemma with two young preppies:

I’ve got a good job that pays decently. It’s just that it’s all so ... mediocre, so unimpressive. The acid test is whether you take any pleasure in responding to the question, “What do you do?” I can’t bear it.

For a response, Gregg directs us to Pope Pius XII’s remarks in 1950 on finance’s important contributions to the common good. The pope saw capital markets professionals providing a social function by helping to make money “fruitful” instead of “dissipating it, or leaving it to sleep without any profit.” Expanding on the biblical injunction to “be fruitful and multiply” in Genesis, Pius XII counsels financial professionals “to facilitate and encourage savings; to preserve savings for the future, at the same time rendering them productive in the present; to enable savings to share in useful enterprises which could not be launched without them ...” Michael Sean Winters at

the National Catholic Reporter notes that a spirit of “encounter” is an important theme for Pope Francis, yet it is also the essential spirit of the financial vocation. The finance professional must truly go forth to the peripheries of human creativity

“ The finance professional must truly go forth to the peripheries of human creativity to help bring to market new means of human flourishing.”

to help bring to market new means of human flourishing. This is powerfully expressed in Pius XII’s inspirational words to financiers in 1951: “You mark the crossroads where capital, ideas and labor encounter each other.”

To end at the beginning, in offering the book’s introduction, Cardinal George Pell demonstrates a high level of interest and insight into matters of finance. It is worth further reflection by readers that the Jesuit pope from Argentina has bound much of the success of his papacy to the financial reform efforts led by the Australian cardinal. Left unaddressed by Gregg is the church’s own financial management. What principles should govern the church’s stewardship of its resources? How should the church allocate scarce resources and measure the results of these decisions? What standards of reporting and transparency should the church voluntarily offer the faithful? For thoughtful responses to these questions, the church might look to the author and to those who have carefully considered the ideas in *For God and Profit*.

Stephen Schmalhofer writes from New York City, where he works in technology and venture capital. He is a graduate of Yale University.



"Saint Thomas Aquinas" by Carlo Crivelli. Public domain.

Getting justice right

By Samuel Gregg

The following essay is excerpted from Samuel Gregg's new book *For God and Profit: How Banking and Finance Can Serve the Common Good* (Crossroad, 2016).

No one ideal financial system is immediately derived from either Christian faith or natural reason. That's not just because of sin and its effects. It's also a reflection of a truth that has already been stated but that cannot be repeated enough: while Christianity teaches that one can never choose evil, there are often many ways of doing good that, while differing from one another, don't violate the principles revealed by natural law and divine revelation. There is no uniquely right way to provide, for instance, housing for the homeless. But fraud always constitutes injustice.

Like any sector of the economy, finance is subject to the requirements of justice. And the nature of justice is a topic on which the Christian tradition has long brought very clear principles to bear. A succinct description of these principles may be found in the *Catechism of the Catholic Church*. This text is especially helpful, not least because it draws on a range of sources such as Scripture, the Church Fathers, and natural law to outline these principles, many of which precede the East-West schism of 1054 and Western Christianity's splintering in the Reformation's wake.

Revealingly, the *Catechism's* discussion of justice follows immediately after its reaffirmation of the classic Christian teaching

on common use and private ownership. Beginning with a strong condemnation of theft as a violation of one of the moral absolutes affirmed in the Decalogue, the *Catechism* considers the promises we make to one another in the form of contracts.

Contracts, the *Catechism* specifies, are subject to what Christianity calls commutative justice: that "which regulates the exchanges between persons and between institutions with a strict respect for their rights." Drilling down another level, the *Catechism* immediately adds that commutative justice "obliges strictly." That is strong language. It requires, in the *Catechism's* words, "safeguarding property rights, paying debts, and fulfilling obligations freely contracted." One reason for this strictness is, as the *Catechism* states, "without commutative justice, no other form of justice is possible." A moment's reflection underlines the truth of this. Life would quickly grind to a halt if everyone considered himself entitled to simply walk away from freely undertaken promises.

Two qualifications need to be made here. First, many parties to a contract may disagree about the meaning of what they have formally decided to adhere to, and what's implied in a given contractual arrangement. Contract law emerged because of the need to resolve such disagreements. Second, commutative justice itself cannot be separated from the demands of other forms of justice. Even if two parties agree to perform certain actions, that doesn't legitimate every single promise made in a given con-

tract. If, for instance, I freely sign a contract that involves me selling myself into slavery, the Christian response would be that the intrinsic immorality and injustice of slavery immediately nullifies the contract.

Understanding the nature of another mode of justice long stressed by Christianity illustrates this point. The *Catechism* defines distributive justice as that "which regulates what the community owes its citizens in proportion to their contribution and needs." The words "contribution" and "needs" are important. They remind us that while distributive justice means ensuring people have what they need, it is also attentive to other criteria such as merit, willingness to assume risk, and how much responsibility a person carries. All other things being equal, this means, for instance, that those who work harder, assume more risk, or take on higher levels of responsibility deserve a higher income or salary than those who decline to do so. But distributive justice also has implications for the state's role in the economy. It suggests that the state may regulate economic institutions such as contracts and private property—not in an arbitrary way, but rather to ensure that contractual arrangements and the workings of free exchange don't embody significant violations of distributive justice.

The workings of bankruptcy law illustrate the point. Bankruptcy is the process by which an insolvent person or company is declared by the law to be unable to meet his financial obligations. As a result, the

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bankrupt's property is vested in the courts or some other designated legal trustee who has the responsibility to divide it among the bankrupt's creditors. Bankruptcy law also normally prevents seizure of things that bankrupts require to earn an income or to maintain their families.

Bankruptcy law seeks to reconcile two principles. The first is that, as far as possible, people receive what they are owed in light of the inability of others to pay back all that they owe. The second is that no fulfillment of promises obliges any party to the contract to accept conditions that violate human dignity. From this standpoint, bankruptcy involves consideration of both the demands of commutative justice and distributive justice. The creditor's specific claims against the debtors are given attention (commutative justice). At the same time, the claims of all known creditors are pooled by the courts and the debtor's property is treated as if it were the commonly owned property of the creditors (distributive justice).

Here we see the subtle ways in which commutative justice and distributive justice shape each other as we seek to resolve some of life's most thorny economic disputes. Note, however, that the ability of a given society to promote and protect commutative and distributive justice relies on people being willing to accept the decisions of courts, legislatures, and governments. This is what the *Catechism* calls legal justice: that "which concerns what the citizen owes in fairness to the community." It is, after all, the state and the legal system that assume coordinating these modes of justice. They provide an overall framework that governs the ownership and use of property, and establishes and presides over the arrangements for adjudicating and resolving disputes. Unless people are willing to accept the rulings of courts, human flourishing and the common good become impossible.

Samuel Gregg is research director of the Acton Institute.

Acton FAQ

What can I expect at Acton University 2016?

The conference will be held at the DeVos Place in downtown Grand Rapids, Michigan, on June 14–17. The conference fees are **\$500 for students** and **\$750 for regular attendees**. This year includes 15 first-time faculty members, 42 new courses (for a total of 121) and online registration for all hotel reservations. There will be a special screening of the award-winning documentary *Poverty, Inc.*

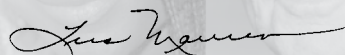
Acton University offers another strong lineup of keynote speakers:

Magatte Wade: a passionate adventurer and idealistic entrepreneur. Born in Senegal and educated in Germany and France, she left for the United States to begin a career as soon as she could. She lived and worked in Silicon Valley at the height of the dot-com boom and started a beverage company that obtained national distribution at leading natural food retailers and distributors.

Vernon L. Smith: the 2002 Nobel Prize winner in economic sciences for his groundbreaking work in experimental economics. He has the George L. Argyros Chair in Finance and Economics and is a research scholar in the Economic Science Institute at Chapman University. Smith has served as the president of the International Foundation for Research in Experimental Economics since 1997.

William B. Allen: an emeritus professor of political philosophy in the Department of Political Science and emeritus dean, James Madison College, at Michigan State University. Currently he serves as Veritas Fund Senior Fellow in the Matthew J. Ryan Center for the Study of Free Institutions and the Public Good at Villanova University.

Rev. Robert Sirico: the president and cofounder of the Acton Institute and pastor of Sacred Heart of Jesus parish in Grand Rapids, Michigan. His writings on religious, political, economic and social matters are published in a variety of journals, including the *New York Times*, the *Wall Street Journal*, *Forbes*, the *London Financial Times*, the *Washington Times*, the *Detroit News* and *National Review*.



Kris Alan Mauren
Executive Director

work in the “underground” economy as their only solution?

Ismael Hernandez: Coming to the United States from Puerto Rico allowed me to confront safe assumptions of a “red-diaper baby” who grew up in a country mired in poverty. The realities of American life helped me realize that the prism through which I previously looked at reality was blurred—I had the benefit of contrast. The lived experience of freedom shattered my universe.

Yet as I surrendered the dream of socialism and realized that my idols (Che, Fidel, Marx, Minh) were charismatic but flawed men who bought into a lie, I was surprised to see so many Americans treading the path I was abandoning! I realized that many Americans seemed bored in affluence, bored with the anomie that freedom can offer when it is not combined with a moral-cultural ethos that places the human person, unique and unrepeatable, at the center of social action. In a society that has lost its ethical bearings and questions the very essence of what makes it free, charismatic men can find fertile ground by offering the grand new world. They can appeal to base sentiments where the enemy is the other: the rich, the immigrant, the Chinese.

We get people back to work by renewing our minds and by rejecting the “us against them” paradigm. A lived experience of freedom through local action is the answer. By creating simple, practical, meaningful and replicable projects that engage people in economic activity, we can show the way. That lived experience eventually flowers in lives dedicated to work, risk-taking and creativity. We can show that a society that values individual freedom and

also loves the poor is possible without the activism of the state.

Justin Beene: There are two primary things that come to mind surrounding the issues of worker engagement and work for people of color. First, worker engagement is much more complex than most understand or are willing to admit. Historical slavery, racism and the “new” Jim Crow or criminal justice system, according to Michelle Alexander’s research, now imprisons more men of color today than there were slaves in 1865. The outrageous rate of incarceration and lack of employers hiring returning citizens, or in

I think solutions have to be multi-faceted and cross-sectoral; there is no such thing as a simple cookie-cutter approach that is going to help move the needle when it comes to getting folks back in the labor market. However, our politicians and general media seem to take one of two misconstrued ideologies of business: 1) that its profits should be used to support real ministries, programs or nonprofits through looking at ways to transfer wealth from the rich to the poor or 2) that profit maximization is the ultimate goal of business, and so America needs to shut down its borders and control everyone else so that we can have a bigger piece of the economic pie.

John Paul II essentially said in *Entrepreneurship in the Catholic Tradition* that every business should be shaped in a way that allows its employees to build community and transcend—or that business is more than profit. It’s about meeting a real need that both its employees have, as well as meeting a need in the marketplace. So one challenge is how do we get businesses to be willing to take on this type of charge and holistic understanding of their business?

And secondly, how do we continue to create more opportunities and the right, nonracist environment where people of color are able to create wealth for themselves through business instead of being held captive to government programs?

I think we need to decrease the negative stories in the media about people of color—especially in relation to the disproportionate amount of street crime reported all over the nation that perpetuates these false inferior/superior complexes. We must begin uplifting the positive stories of successful entrepreneurs (and there are many), systematically building the



Inmates Orleans Parish Prison, March 2012. Photographer: Bart Everson; Wikimedia Commons

many instances even allowing them to volunteer, massively cripples people’s ability to create a livelihood for themselves. Secondly, the lack of the general public acknowledging white privilege, as well as systematic, and institutional racism continues to perpetuate the problem—creating a false sense of superiority in many privileged whites and a false sense of inferiority in many people of color in this country. Ultimately this false sense of identity creates all kinds of psychological, health and spiritual problems for people on both sides—further trapping folks into the self-fulfilling prophecy.

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belief in young men and women that success is not just possible but expected and normal. Further, we need to begin educating our students in urban areas on how to practically start businesses and give them the opportunity to fail early on. Giving them the exposure to business and sound economic principles is important.

FREE TRADE

The Wall Street Journal recently ran a piece titled “Free trade loses political favor,” which examined the results of populist backlash in polling places. “According to Michigan exit polls, Democratic voters who believed trade deals reduce U.S. jobs backed presidential candidate Bernie Sanders by a 56 to 41 percent margin. And in Mississippi, it was Republicans who said trade was a job killer, not Democrats, according to exit

Vernon L. Smith: How many of the people who see trade as a job killer shop in stores like Wal-Mart that have lower prices?

The impact of free trade on our economic life begins with price-conscious consumers beneficially choosing lower-priced products. When I was a student living in Boston in the 1950s, the textile industry was relocating to the South where wages were lower, material costs were lower, and the cost of clothing could be reduced. This industrialization raised wages in the South, and eventually the industry moved offshore.

The causes of lower prices are not visible like job loss; both voters and candidates focus on job loss, not the consumer benefits. Free choice by consumers causes investors to constantly seek lower-cost ways of producing, and this most prominently includes new machine technology. The adverse consequences of innovation and economic change are not new. The Lud-

long-term effect includes a shifting of some production overseas, but more importantly, are accelerating automation.

“ With automation, much of the earlier shift to overseas production has returned home, but the jobs have not returned.”

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Charts available at the Federal Reserve Bank of St. Louis show the large impact of automation in the reduction of manufacturing employment. From 2000 to 2010, an index of manufacturing employment declined from 145 to 97, and today has only recovered to 103. But since 2000, manufacturing output, after two recession dips, has now recovered from 112 to 132. This is not due to foreign trade but to the rapid substitution of machine-factory capital for labor.

The negative income tax, proposed decades ago by Milton Friedman as an alternative to minimum wages, was designed to respond compassionately to those adversely affected by economic change, while maintaining incentives to work and produce at market wages and to attract young adults into the labor force.



Modern factory © yoh4nn; www.istockphoto.com

polls. Democrats there by a 43 to 41 percent margin said trade boosted job growth,” the newspaper concluded.

R&L: *While economists have shown widespread support for the benefits of free trade, have we paid too little attention to the particular adverse effects on some people?*

dite rebellion of early 19th-century England was a populist revolt of the textile workers who smashed the new factory machines that were displacing workers.

Every populist increase in the minimum wage has immediate adverse impacts on entry-level young adults in the labor force, especially blacks and Hispanics. The

MILLENNIAL VOTERS

The much reported dimming of job opportunities for millennials and distaste for the market economy was reflected in a February poll that showed that Democratic candidate Bernie Sanders “was favored by a whopping 74 percent among 18 to 44 year-olds, compared with 23 percent for Hillary Clinton.” The New York Times

noted that Sanders' political rallies "feel like a combination revival meeting and rock musical festival, down to the funky vendors hawking rainbow-hued 'Feel the Bern' merchandise."

R&L: *Why have millennials overwhelmingly rejected free-market principles and rallied behind Bernie Sanders?*

Jared Meyer: The reality is not as simple as it seems. Though millennials overwhelmingly support Bernie Sanders, most are not on board with democratic socialism—and very few support full socialism.

Perhaps the clearest indicator of this reality is that only 16 percent of millennials can correctly define socialism. This could be why less than one-third of millennials favor government control of the economy over a free market.

This is a case of different generations defining terms differently. Since millennials did not grow up in the Cold-War era, they equate socialism with more generous Scandinavian-style welfare states instead of the immense level of human suffering that baby boomers and other previous generations witnessed.

Additionally, millennials do not yet realize that Scandinavian policies will lead to Scandinavian middle-class taxes. The U.S. tax code is about five times as progressive (falls more heavily on high-income earners) as tax codes in Scandinavian countries. This means the middle class pays a much larger portion of income taxes in the Scandinavian countries to fund their expansive social programs. Though many millennials have not yet had to pay income taxes, there is nothing to suggest that they will want to hand over a larger portion of their incomes than did their parents and grandparents.

Lastly, millennials are not as strongly in favor of increased government regulation as many people assume. They strongly support entrepreneurs, and they detest barriers to entrepreneurship. Their appre-

ciation for how difficult it is to start a business goes far beyond their near-universal reverence for the late Steve Jobs. Two-thirds of millennials want to work for themselves in the future.

Perhaps the sharing economy's rise—and the subsequent hostile response of some policymakers—is why only 18 percent of millennials think regulators primarily have the public's interest in mind. This is far short of the support that would be necessary for a government takeover of the economy.

Millennials are clearly "feeling the Bern," but this does not mean America's largest

"Perhaps the sharing economy's rise—and the subsequent hostile response of some policymakers—is why only 18 percent of millennials think regulators primarily have the public's interest in mind."

generation is comprised of Socialists. Let's be honest—no millennial wants the government to tell Apple how many iPhones it can make or what features it can include in the iPhone 7.

Ann Marie Jakubowski: Although it sounds antithetical, free-market proponents could learn a lot from Bernie Sanders. His significant success among millennials speaks to the priorities of young adult voters today and to the effectiveness of consistent authenticity as a strategy for earning votes against the odds. Sanders has a strong foothold among millennial voters because young adult voters have the impression that the odds for economic success are stacked against them in the free-market system. Sanders' decades of commitment to his

radical political positions give him, if nothing else, an aura of authenticity that is difficult to find in politics today.

It would be reductive to assume that millennials support Sanders just because they don't know any better. On the contrary, the younger generation has genuinely good intentions and a desire to see Americans prosper at all levels of society, and it seems that a message of prosperity and possibility via the free market is not getting through to them. Proponents of the free market need to find ways to convey the radical possibilities for success that are built into their own economic plans. The current public conversation about a free-market economy seems to be more about the markets than the people themselves, and millennial voters are impressed by Sanders' ability to articulate



Black Lives Matter March & Protest in Philadelphia, PA

his economic vision in terms of the actual people affected by it. By emphasizing the free market's impact on human beings instead of on tariffs or trade deals, candidates can tap into the millennials' desire for forward progress and increased possibility. And they can earn the young voters' loyalty by emulating Sanders' obvious passion and authenticity, even if they channel it toward a polar-opposite economic plan. ■■■■

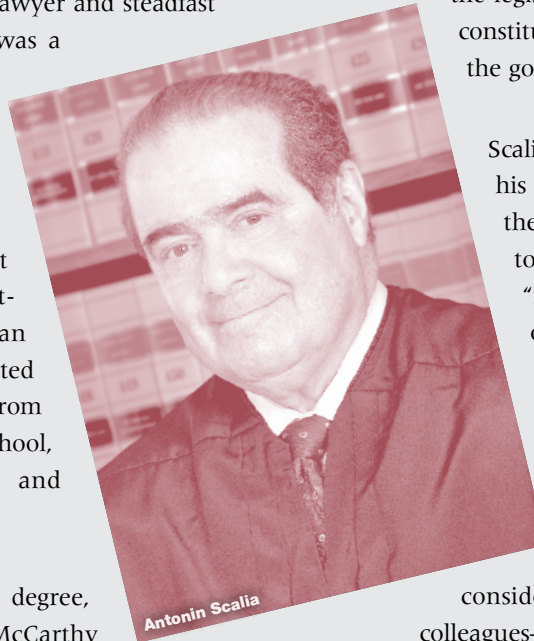
Antonin Scalia [1936–2016]

If I have brought any message today, it is this: Have the courage to have your wisdom regarded as stupidity. Be fools for Christ. And have the courage to suffer the contempt of the sophisticated world.

He was famous for his unyielding opinions, scathing dissents and witticisms, but Justice Antonin Scalia was much more than a brilliant lawyer and steadfast Supreme Court justice. He was a devout Roman Catholic, a family man and a great friend even to his ideological enemies. Scalia was born in Trenton, New Jersey, to Sicilian immigrant Salvatore Scalia and first-generation Italian-American Catherine Panaro. He graduated valedictorian three times: from St. Francis Xavier High School, Georgetown University and Harvard Law School.

After he received his law degree, Scalia married Maureen McCarthy and began working at the law offices of Jones, Day, Cockley & Reavis (Now Jones Day) in Cleveland. He spent six years excelling in corporate law before turning to academia. In 1967, he and his young family moved to Charlottesville where he became an administrative law professor at the University of Virginia. He didn't remain there long, as he was called to public service in 1972. President Richard Nixon appointed him general counsel for the Office of Telecommunications Policy. He was then appointed assistant attorney general for the Office of Legal Council in 1974.

President Ronald Reagan appointed Scalia to the Court of Appeals for the District of Columbia in 1982, where people first noticed his sharp wit. When Chief Justice Warren Burger retired, Reagan nominated Scalia for a seat on the U.S. Supreme Court; he was confirmed by the Senate 98-0 as an associate justice in 1986.



Scalia held to the judicial philosophy of originalism. This doctrine does not accept the Constitution as a “living document” but, rather, holds that any interpretation must adhere to original intent of the founders. Scalia had no interest in judicial activism, believing that any major change should be done by the people’s representatives in the legislature. When explaining his views on a living constitution, he said, “Let’s just cut it out. Go back to the good, old dead Constitution.”

Scalia was also known for his colorful language. In his dissenting opinion for *King v. Burwell*, he called the majority decision allowing the U.S. government to provide tax subsidies for health insurance “interpretive jiggy-pokery.” In that same opinion, he spoke of “pure applesauce” and even referred to the law as “SCOTUScare.” When the Court struck down the Defense of Marriage Act in 2013, Scalia called the majority reasoning “legalistic argle-bargle.”

Despite his strong personality, Scalia considered the other justices more than just colleagues—he considered them friends. He was especially close to Justice Ruth Bader Ginsburg, whose judicial philosophy was very different from his own. Their warm friendship inspired the one-act opera “Scalia/Ginsburg.”

Scalia and Maureen had nine children and more than 30 grandchildren. The couple took pride in raising their children traditionally and devoutly Catholic, similarly to Scalia’s own upbringing. This faith kept the family close. With Scalia often busy with work, their most precious bonding time together as family occurred weekly during mass at St. Matthew’s Cathedral in Washington. Two of the children followed in their father’s footsteps and became lawyers.

Antonin Scalia died suddenly of natural causes on February 13, 2016.



Religious liberty is never a given

The past century has been witness to many villainous acts committed against the Christian faith in the name of hostile, and often secular, ideologies. Many of these horrors are portrayed in literature and film and with varying degrees of success.

However, each in its own way presents a snapshot of the dystopias created when religious freedoms are abrogated. These books and films provide instructive reminders today as organized spiritual faith is attacked in our country by government sanction and abroad by antagonist militias for whom religious pluralism is an abomination.

There are a great number of stories dealing with the Holocaust—perhaps the greatest inhumanity perpetrated against any religious group in history. There are also works that illustrate how government powers have been exerted to the detriment of the Christian faith. The Whiskey Priest in Graham Greene's *The Power and the Glory*, for example, hides his faith and submerges himself in drunken squalor as he runs from both the tenets of his vocation and a government that has outlawed priests in 1930s Mexico. Padre Jose, another priest in Greene's novel, evades execution through a government-enforced marriage as he is compelled to live off a government pension.

Likewise, the 1960 film *The Angel Wore Red* depicts the violent aggression deployed against the Roman Catholic Church and its followers during the Spanish Civil War. *The Secret Speech*, a 2009 thriller by British author Tom Rob Smith, begins with the novel's flawed and seemingly irredeemable protagonist, Soviet KGB agent Leo Demidov, working undercover to arrest a Russian Orthodox priest and his wife.

In *The Gulag Archipelago*, Aleksandr Solzhenitsyn recounts the story of a religious group imprisoned at Solovetsky in 1930. The members of this group considered the Soviet apparatus the "Antichrist" and refused to accept its legitimacy or authority, which included recognizing Soviet currency and passports. The group was sent to a small island in the archipelago where they were told they were required to sign for packages of food delivered there. Within two months the entire group had perished from starvation.

Anne Applebaum, author of the Pulitzer Prize-winning *Gulag: A*

History, writes in her 2012 follow-up, *Iron Curtain: The Crushing of Europe 1944-1956*, that Eastern European Christians were also prey to totalitarian notions. A Saxony evangelical youth group, Christian Endeavor, Applebaum notes, engaged in Bible studies and prayer gatherings during the spring of 1946. Following Soviet guidelines, Saxony authorities quickly shut down Christian Endeavor groups. Applebaum also discusses how religious freedoms were stifled in countries such as Czechoslovakia and Bulgaria:

In some countries, communist authorities even conducted show trials very much along Soviet lines. Eventually the region's communist parties would attempt to eliminate all remaining organizations; to recruit followers into state-run mass organizations instead; to establish much harsher controls over education; to subvert the Catholic and Protestant churches.

The horrors of the 20th century are hardly foreign to us in the 21st century. Today, Christians and other religious groups are subjected to diasporas, torture and death in Middle Eastern countries. On Good Friday of this year, Father Thomas Uzhunnalil, a Catholic priest, reportedly was crucified in Yemen by Islamic State terrorists.

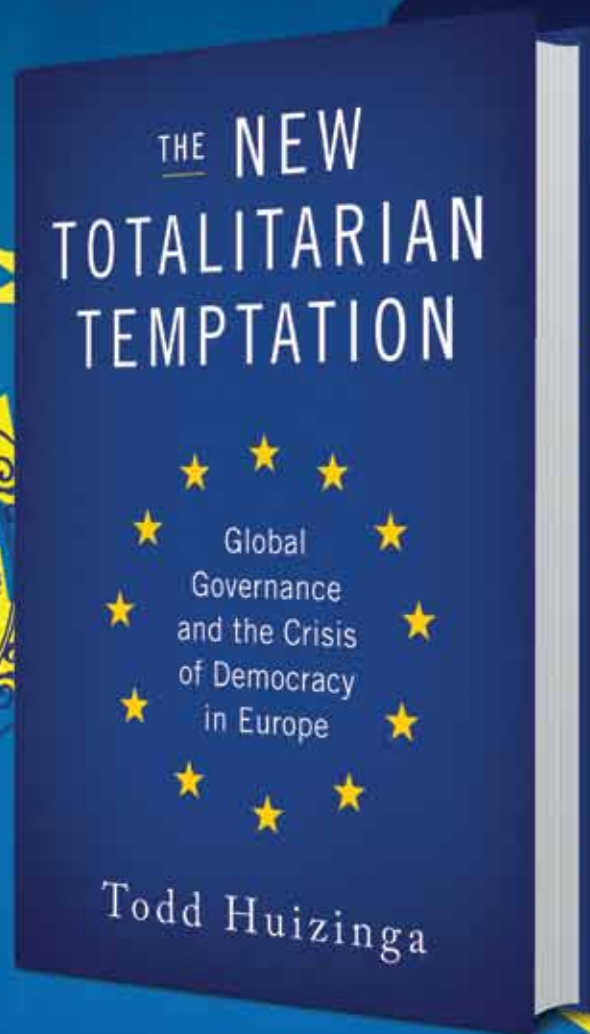
In the United States, where religious freedom is guaranteed in the First Amendment's Establishment Clause, there are daily challenges to our constitutional rights. Fortunately, thus far nothing has been allowed to proceed in our country along the lines of the Mexico of Graham Greene's novel, the Spanish Civil War, the Shoah or the nightmares broadcast at a chilling rate from the Middle East.

But America and the West have endured attacks on religion from without and within. The U.S. Supreme Court has rendered its decision on *Burwell v. Hobby Lobby* and is deliberating at present on *Little Sisters of the Poor Home for the Aged v. Burwell*. Both cases are significant in the defense of religious freedom in the United States.

Closer to home, we at the Acton Institute for the Study of Religion and Liberty continue our collective sigh of relief after winning our protracted battle with the city of Grand Rapids over alleged taxes owed on our property—a battle clearly prompted by politics rather than legal merits. Religious liberty today as in the past requires extreme vigilance.

Rev. Robert A. Sirico is president and cofounder of the Acton Institute for the Study of Religion and Liberty.

A must-read if you want to understand
how the European Union got to this point



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What caused the eurozone debacle and the chaos in Greece? Why has Europe's migrant crisis spun out of control, over the heads of national governments? Why is Great Britain calling a vote on whether to leave the European Union? Why are established political parties declining across the continent while protest parties rise? All this is part of the whirlwind that EU elites are reaping from their efforts to create a unified Europe without meaningful accountability to average voters.

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