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The evidence of things not seen

An Interview with Vernon L. Smith
The final issue of *Religion & Liberty* for 2016 will explore a breadth and depth of topics, including the “ten dollar founding father,” why we need those dollars, the danger of a utopian dream and more.

For the main feature, Victor Claar interviews Vernon Smith, who won the Nobel Prize for economics in 2002. He describes the relationships among many things we might not think are connected, especially the interplay between economics, science and religion.

Bruce Edward Walker revisits the 1941 book *Darkness at Noon* by Arthur Koestler. He was intimately familiar with the lies and horrors of totalitarianism, as he faced political prison in Spain and a French concentration camp. Walker implores the current generation to read Koestler and reject the creeping norm of socialism.

Money matters, Dylan Pahman argues in a new essay. He comments on the frequently misquoted words of the Apostle Paul, who said, “For the love of money is a root of all kinds of evil…”

This issue’s “Double-Edged Sword” looks at Luke 2 and the story of a young Jesus staying at the temple while his family continued home.

Rev. Anthony Perkins wants to look objectively at and understand Ukraine. Between Russia’s active campaign to spin its history and the West’s own agenda, it’s a difficult thing to do. Perkins reviews Serhii Plokhy’s *The Gates of Europe: A History of Ukraine* and finds this to be a valuable tool in discovering the truth behind the propaganda.

Acton’s executive director, Kris Mauren, looks ahead to 2017. In the FAQ, he answers the question, “What can we expect from Acton in 2017?”

Though he died in 1804, 2016 may be the year of Alexander Hamilton. Thanks to Lin-Manuel Miranda’s hit Broadway musical “Hamilton,” many people are learning the story of one of America’s most important founders. While there’s plenty of focus on the man, what about the woman who helped make him great? This issue’s “In the Liberal Tradition” looks at the life of America’s oldest Revolutionary War widow, Elizabeth Schuyler Hamilton, and her tireless work to help society’s most downtrodden.

To conclude, Rev. Robert Sirico reflects on economic freedom and the interest in socialism and communism by America’s young: “It’s as if we’re forced collectively to suffer the death of a great nation by a thousand cuts rendered by overweening regulations, taxation and government incursions enabled by a thinly veiled political hostility to religious faith.”

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In June 2016, Vernon Smith gave an Acton University Lecture titled “Faith and the Compatibility of Science and Religion.” After giving this lecture, he was gracious enough to sit down with Victor Claar to go into some of the specifics of his lecture, as well as his vast experience in economics, including experimental economics.

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. Smith completed his undergraduate degree in electrical engineering at the California Institute of Technology, his master’s degree in economics at the University of Kansas and his Ph.D. in economics at Harvard.

Victor V. Claar is professor of economics at Henderson State University in Arkadelphia, Arkansas, where he teaches courses in economics to undergraduates and graduates.

Visit the Acton PowerBlog for more of this interview.

Claar: There was a big push for deregulation in the late 1970s and early 1980s in the United States. Are there parts of the economy today that you think could benefit from deregulation?

Vernon L. Smith: That movement had an impact on experimental economics and vice versa. Under President Carter, the Civil Aeronautics Board, supported by a bipartisan consensus in Congress, moved to deregulate the airlines. The airlines would be much freer to price tickets and choose their routes. But airport runway rights (landing and takeoff time slots) would still be assigned by regulation. We proposed that such rights be exchanged via a combinatorial auction procedure under which the airlines would bid for packages of rights coordinated with their choice of routes. The idea was to match the technological need to coordinate runway use rights across airports to support the choice or route schedule, and hence create a market that facilitated airline planning and decision-making.

These were events that I would never have anticipated. In the 1980s, we followed up that insightful experience by developing and testing smart computer-assisted market applications for gas pipelines and electric power. Our pipeline experiments led to a liberalization of the rules under gas deregulation by the Reagan administration. Our electricity experiments led to our involvement in the liberalization of the electric power industry in New Zealand and Australia in the 1990s.

This work was especially exciting in electric power because people didn’t believe that particular industry could be organized around markets. Outside the United States, power systems were dominated by government ownership, but structure was being challenged by their poor performance. This is why electricity market liberalization was being considered seriously outside the United States but not here. Foreign treasuries were hurting because their electric power industries were inefficient and unprofitable. Thatcher sold denationalization on the grounds that it would help the British Treasury. And so you had a trend toward “privatization” in countries like the U.K., Chile, Australia and New Zealand. Even where a lot of the assets continued to be publicly owned, they nevertheless had to survive using what they earned in the market. That was an important new source of discipline of the industry.

More deregulation of electric power is badly needed in the U.S., but that won’t happen easily because electricity is regulated by the individual states. It is actually quite open and competitive at the wholesale level. But that’s governed by the Federal Energy Regulatory Commission, which has been open to more use of competition and markets in the interstate transfer of power on the national high-voltage grid.

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Back in the 1970s and early 1980s, public broadcasting aired a television series titled “Meeting of the Minds,” created, produced, written and starring the multitalented polymath Steve Allen. As a high school student, yours truly monopolized my family’s farmhouse Magnavox each week to witness the panel of historical characters (portrayed by actors) arguing philosophy, history, science and culture in their own words.

One can imagine a similar experience seated across the table from Arthur Koestler, an author whose personal life was as fascinating as it was infuriating. Setting aside the infuriating aspects—not least, the 1983 suicides of the Parkinson’s disease- and cancer-stricken author and his perfectly healthy and much younger wife—for the purpose of this essay, Koestler found himself in the thick of events as the civilized world collapsed into the disorder of the Spanish Civil War and World War II. No casually detached observer, the Jewish and Hungarian-born Koestler fled Germany and subsequently faced more than once near-certain death for his political beliefs as an inmate of both a Spanish prison and a French concentration camp.

In the world of literature, perhaps only Aleksandr Solzhenitsyn did more to expose the lies and cruelty of 20th-century totalitarianism. As a writer for Cyril Connolly’s Horizon magazine in the early 1940s, Koestler also was one of the first European journalists to alert the continent to the genocide committed by the Nazis, which earned him brickbats from such esteemed British writers as Osbert Sitwell. Koestler’s rejection of communist principles likewise raised the public ire of such writers as George Orwell, who, in short, thought the Hungarian was throwing out the proverbial socialist baby with Joe Stalin’s bathwater.

Koestler launched his career in the late 1930s with a series of novels, plays and memoirs chronicling humanity’s near destruction in its perennial march toward Utopian dreams. His novels constitute an examination of the shortcomings of Marxist and fascist ideologies. This year marks the 75th publication anniversary of the second book of the trilogy, Darkness at Noon (1941), which is more celebrated, perchance unjustly, than The Gladiators (1939), Arrival and Departure (1943) and two later political novels, Thieves in the Night (1946) and The Age of Longing (1951).

Darkness at Noon continues to grab headlines. An original manuscript of the novel was discovered last year in the Zurich Central Library by a doctoral candidate. The published versions English readers know today is a hasty translation made during the early years of World War II. The original manuscript was written in German and was thought to have been lost forever after Koestler abandoned his personal possessions while fleeing Paris in 1940 as the German army invaded. The German-language version of the novel today is actually a translation from the English. We fans of the novel eagerly await a new, carefully translated edition from Koestler’s original manuscript.

What makes Darkness at Noon such an enduring artistic work is Koestler’s firsthand knowledge of his source material. Indeed, Darkness at Noon is an imaginative effort, but unlike The Gladiators—set in the first-century B.C. and detailing the failed slave revolution led by Spartacus—and Arrival and Departure—set for the most part in Neutralia, a slightly fictionalized Portugal, during World War II—Koestler’s second novel documents its author’s reasons for abandoning the Communist Party of which he had been a loyal adherent. Koestler explained:

I was twenty-six when I joined the Communist Party, and thirty-three when I left it. The years between had been decisive years, both by the season of life which they filled, and the way they filled it with a single-minded purpose. Never before nor after had life been so brimful of meaning as
during those seven years. They had the superiority of a beautiful error over a shabby truth.

Seven years is the span of time for which Jacob tended Laban’s sheep to win Rachel his daughter; “and they seemed unto him but a few days for the love he had for her.” But the morning after the nuptials in the dark tent, he found that he had spent his ardours not on the beautiful Rachel but on the ugly Leah. And he said to Laban: “What is this thou hast done unto me? Wherefore hast thou beguiled me?”

One would imagine that he never recovered from the shock of having slept with an illusion. We are told, however, that he did obtain the real bride at the price of another seven years of labour. And again they seemed to him but a few days; for, glory be, man is a stubborn creature. (The Invisible Writing, The Beacon Press, Boston, 1955, p. 392)

Koestler’s description of life “so brimful of meaning” brings to mind William Wordsworth’s lines from “The Prelude”: “Bliss it was in that dawn to be alive/But to be young was very heaven,” concerning the poet’s experience with another, earlier, failed Utopian coup—the French Revolution. It is likely no coincidence, as the opening chapter of The Age of Longing takes place in France during a Bastille Day celebration.

Darkness at Noon is a fictionalized account of the persecution of Nikolai Bukharin, given the name Nicolas Salmanovitch Rubashov in the novel. The author claimed in The Invisible Writing that it didn’t occur to him until years later that the middle name Salmanovitch explicitly identifies Rubashov as a Jew. Like Bukharin, Rubashov is a Bolshevik arrested by the regime of Josef Stalin during the Soviet Great Purges for alleged counterrevolutionary activities. Koestler brings to bear his familiarity with Stalinist dialectics learned in the Communist Party cell in which he participated during his time working as a science journalist in Germany. This knowledge lends credibility to the dialogue Rubashov conducts with his interrogators, Ivanov and Gletkin. Additionally, Rubashov’s solitary confinement is depicted in a fashion reminiscent of Koestler’s portrayal of his own harrowing internment during the Spanish Civil War, which he documented in his first memoir, Dialogue with Death (1938).

Despite being plagued by guilt for horrific activities committed as a Communist Party apparatchik, Rubashov exhibits saintly, if not Christlike, characteristics. It is not the crimes that he actually committed for the state for which he’s being tried after all, but his recognition that the communist dialectic is a fraud perpetrated upon millions of innocent souls, resulting in many of their meaningless deaths:

How he had raged in the great field of experiment, the Fatherland of the Revolution, the Bastion of Freedom! Gletkin justified everything that happened with the principle that the bastion must be preserved. But what did it look like inside? No, one cannot build Paradise with concrete. The bastion would be preserved, but it no longer had a message, nor an example to give the world. [Stalin’s] regime had besmirched the ideal of the Social state even as some Medieaval Popes had besmirched the ideal of a Christian Empire. The flag of the Revolution was at half-mast.

It therefore is fitting that Koestler’s follow-up novel, Arrival and Departure, begins with the protagonist’s arrival in Neutralia aboard a ship named Speranza (Italian for “hope”). It concludes with him avoiding the temptation to emigrate aboard the Hobbesian-sounding Leviathan and parachuting into Hungary to assist routing the Nazis.

Back to Allen’s “Meeting of the Minds.” Imagine Koestler bringing the full weight of his intellect and experiences to a table also occupied by Lenin, Stalin or a raft of other 20th-century totalitarian tyrants. Better yet, witnessing him debate such Marxist literary apologists as George Bernard Shaw, H. G. Wells or any number of collectivists and redistributionists would be most edifying for the contemporary Occupy Wall Street crowd. Since that fantasy will never become realized, encouraging young people leaning toward socialism—“soft” or otherwise—to read Koestler might bring them to the realization that all utopian goals of egalitarianism result in the substantial sacrifice of liberties they may have taken for granted. And there’s no better Koestler book to begin with than Darkness at Noon.

Bruce Edward Walker, a Michigan-based writer, writes frequently on the arts and other topics for the Acton Institute.
In his first epistle to St. Timothy, the Apostle Paul includes a warning about money:

Those who desire to be rich fall into temptation and a snare, and into many foolish and harmful lusts which drown men in destruction and perdition. For the love of money is a root of all kinds of evil, for which some have strayed from the faith in their greediness, and pierced themselves through with many sorrows. But you, O man of God, flee these things and pursue righteousness, godliness, faith, love, patience, gentleness. (1 Timothy 6:9–11)

This is often erroneously summarized as “money is the root of all evil,” but that is clearly not what St. Paul said. It is the “desire to be rich” and “the love of money” that are the problem. Why? Because such outlooks confuse a means with an end. If treating a person as a means to an end is a sin (and it is), so too is treating an object as an end in itself. When that object is money or riches, that is the definition of greed. But ignoring an object’s nature is surely a mistake as well. So it is important to understand what money is, how it works and why that matters.

Could we do away with this problem if we just didn’t have money? Certainly, if money itself really were the “root of all evil,” then abolishing it would be the most moral thing to do. However, if the problem, just as it was in the garden of Eden, is not the object (the tree that God made) but the desire for it, then the solution to greed is a matter of the salvation of our souls. We need deliverance from the vices and sins that hold us down, which for Christians is what the gospel is for—not laws.

What people don’t often see is that the alternative to money is a barter economy. While this is sometimes romanticized, it would be a mistake to think it is better. For one thing, the economist Walter Eucken insisted that “even in the barter economy there may still be a scale of reckoning, which may be cattle or a unit of some standard good, without there being a generally recognized means of exchange—that is, money.” So even without money, people naturally adopt some money-like “scale of reckoning.” Money is just an advancement on that.

Eucken’s analysis gives us a clear picture of what money is really for:

The exchange value of a good is a definite quantity because and only because a scale of reckoning is being used. If wool were being exchanged against flax, tin, bread, labour, and other goods, without the use of a scale of reckoning, it would exchange at as many different rates as there were goods. If copper becomes the scale of reckoning and a unit of copper the unit of account, then all the exchange relations will be described in terms of copper and therefore become comparable.

What money allows us to do is to compare the economic value of all sorts of different goods in an economy. Economic value represents the subjective preferences of everyone in an economy. That information is conveyed through prices, and in large economies, prices are measured in money.

Why is this a good thing? Because money enables us to portion out our resources in ways we otherwise could not. It helps us be better stewards of God’s world. If a
farmer, Maggie, has a cow in a barter economy, she must accept a trade in one or a combination of other goods, such as chickens, corn, horseshoes and so on. But then, if she takes it, she is stuck with those goods. She can try to trade again, and eventually get to a point where she is able to meet most of her needs, but it will take a lot of time and haggling. In our modern, super-connected, hyperfast, global economies, that is time people simply do not have. The invention of money was an important advancement in human civilization.

Now imagine that Maggie has a cow in a monetary economy. She sells her cow for the best price she can find and receives that price in money. With that money, she can then go and buy all the things she needs and can afford. She isn’t stuck exchanging a lasso for some turnips with the hope that she can then exchange the turnips for something she actually wants and needs. Maggie can’t cut a chicken into parts and keep the gizzard with the expectation that someone will be willing to trade two apple pies for that gizzard later. But she can sell a chicken for some money and then use the money to buy any variety of things she wants or needs, whenever she needs them. Money serves a vital human need by helping economic exchange better serve other human needs.

Most people, however, are not anarchists or Marxists who actually desire the abolition of money. What is a much bigger problem is policymakers misunderstanding and ignoring the nature of money in other ways. In particular, everyone so often a government forgets (or purposefully ignores) the fact that money, just like every other economic good, is subject to supply and demand. Early modern Spanish kings, for example, were advised to debase their currency. But the result was simply that people, including the king, ended up needing more of it to buy the same things. People value a coin of 10 percent gold a lot less than one of 100 percent gold. If demand drops, supply must increase to keep up.

While most modern currencies are no longer tied to gold, they can still be de-based, arguably more easily. All a government needs to do is print more of it. By increasing the supply, the value of the currency decreases—supply and demand. This is one source of inflation, how prices increase as the money supply increases or “inflates.” As a result, the value of the money decreases.

To some extent, all modern governments do a little of this. Deflation—reduction in the money supply—is feared because it would mean that debts would increase. Why? Because if I take out a loan for $1,000 today, but the value of the dollar increases, then the thousand dollars I will use to pay that loan in the future will be worth more. By contrast, and for the same reason, inflation encourages debt (and, if too high, discourages saving). If the money I use to pay back a debt will be worth less than the money I get at the time of the loan, then I’m getting a deal. A little inflation can help ward off deflation and encourage investment since people are more likely to take out loans.

Deflation isn’t the only thing to worry about though. If inflation gets out of hand, people will stop valuing that currency at all. This happened in Germany in the early 20th century. This happened in Russia toward the end of the Soviet era. And more recently, this happened in the summer of 2016 in the nightmarish failure of the Venezuelan government’s “21st-century socialism.” In Venezuela, they literally couldn’t print money fast enough to pay their debts, which, incidentally, contributed to the hyperinflation in the first place. They tried to shut down currency exchanges to force people to use Venezuelan money (otherwise how would they fix prices?), but it didn’t work. No matter what tyrannical restrictions people implement, supply and demand are simply facts of our society.

If a currency fails through inflation, people will find some other unit of reckoning: cigarettes, grain, metals or something else. The disadvantage all of these have, however, is that not everyone universally wants them, and in many cases they are much harder to protect and store than money. Some of them may even be perishable, making long-term saving impossible. The collapse of Venezuela’s formerly advanced economy to a barter system has meant widespread hunger, crime and poverty. A barter system can’t support a society that large. Their monetary system collapsed by violating private property rights, fixing prices, demonizing profits and debasing their currency, among other dystopian measures. As Dany Bahar and Miguel Angel Santos put it for the Brookings Institution, “Venezuela’s current crisis was completely preventable. In fact, it is the consequence of almost two decades

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of irresponsible policies.” Unfortunately, those who foresaw the coming collapse were ignored.

Without a stable currency—one with low and steady inflation—commerce breaks down. People seek to get rid of money as soon as they get it, only further contributing to the inflation. Why keep a dollar today if it will be worth only a dime tomorrow? So people stop saving. Banks stop issuing loans. Foreign investment dries up. Trade disappears. The wealthy migrate. Vital consumer goods go missing. (Long before there were food shortages in Venezuela, there were toilet paper shortages.) Poverty and hunger grow. The lesson: Money matters, and it is not exempt from the laws of economic life. We need it, and we need to treat it rightly. It is not an end in itself, as the greedy think, but it is also not something without its own internal laws and properties.”

“The lesson: Money matters, and it is not exempt from the laws of economic life. We need it, and we need to treat it rightly. It is not an end in itself, as the greedy think, but it is also not something without its own internal laws and properties.”

Dylan Pahman is a research fellow at the Acton Institute for the Study of Religion & Liberty where he serves as managing editor of the Journal of Markets & Morality. He is also a fellow of the Sophia Institute: International Center for Orthodox Thought and Culture.

Double-Edged Sword:  
The Power of the Word


When his parents saw him, they were astonished. His mother said to him, “Son, why have you treated us like this? Your father and I have been anxiously searching for you.”

“Why were you searching for me?” he asked. “Didn’t you know I had to be in my Father’s house?” But they did not understand what he was saying to them.

The mission of Jesus throughout the Gospels is focused on the will and passion of the Father. Here we have the first words of the incarnate Christ at the age of 12. He is at the temple in Jerusalem for the feast of the Passover. Jesus did not return with his parents on the journey home; Joseph and Mary left the caravan, going back to look for him.

It is clearly evident in this passage that a youthful Jesus knows he has a special and unique relationship with his heavenly Father. That his mother doesn’t immediately notice the relationship, given the angel speaking to her about his birth, might seem surprising. However, a lot of time has passed and she has raised her child since infancy. It is likely that a lot of familiar routines have set in within Jesus’ family.

In this passage, we see Christ purposefully looking beyond the things of this world at a young age. Still, many years before his public ministry, his love and duty to the Father transcend everything else. The Scottish Theologian T. F. Torrance is noted for saying, “There is no God behind the back of Jesus.” What he meant is not just that the Father and Son are united but that their characteristics are the same. God the Father deals with us in the same compassionate way Jesus deals with us. That’s truly Good News!

Paradoxically, the text tells us that while Mary and Joseph find Jesus, he begins the process of leaving the presence of his earthly parents. Luke is preparing the reader for the mission of Christ that will lead to his suffering, death, resurrection and ascension.

Jesus, who is coeternal with his Father, is united with him in plan and purpose. Of course, at the end of this chapter, Jesus returns home with his parents to Nazareth. The text says he was obedient to his parents and that Mary “treasured all these things in her heart.”

One of the great things about Christ is his humility. The Son of God at 12 was full of wisdom and vast knowledge, yet he was obedient to his parents, and the text tells us they did not yet understand the significance of what was happening. His parents were modest in intellectual knowledge and material possessions, yet Christ was under their authority too. This boy who had come to undo the error of Adam was in no way haughty or impatient.

It is hard to get objective information about Ukraine. This isn’t just because the initial frame through which most of us encountered Ukraine presented her as a territory of Imperial Russia or the Soviet Union. Nor is it simply a result of the confusion about facts and intentions that always exist when one country invades or annexes part of another. Both of these certainly come into play, but they are exacerbated by Moscow’s aggressive information strategy that is as much directed toward undermining Western ideological hegemony abroad as it is at reinforcing its own at home. The fact that the West is trying to do the same thing in reverse and that both Moscow and the West define Ukraine in a way that bolsters their own cause means that Ukraine is rarely seen on its own terms.

Moreover, both Russia and the West propagate their own self-reinforcing stories and facts, making it impossible for all but the most dispassionate and dedicated analysts to find the truth about who Ukraine is and what it has been through.

Discussions about Ukraine’s proper identity often end up serving as a shibboleth for one’s preference for traditional values (allegedly represented by Russia) or freedom (allegedly represented by the West)—frames that are constantly reinforced by the leaders and propaganda industries of both sides.

As a result of Plokhy’s objectivity and willingness to go where the facts lead him (vs. finding the facts to support a given position), Russophiles, Ukrainian nationalists and American ideologues of all stripes will find things that both reinforce and challenge their assumptions.

This is not to say that Professor Plokhy is completely objective; he clearly wants to see Ukraine—with its current borders and mix of languages, religions and identities—free of foreign (and especially Muscovite) domination. It is also clear that he believes Ukrainian independence requires a Western orientation and the concomitant commitment to diversity and liberal democracy. However, the primary lesson continued on pg 10

Ukraine—on its own terms

By Rev. Anthony Perkins
of Plokhy’s *Gates of Europe* is that no orientation is enough on its own; what is really required is that Ukraine adeptly play neighboring powers against one another and that its allies follow through on their promises. A second set of lessons is that the requisite diplomatic skill is rare, it is hardly ever enough, allies are seldom reliable and freedom is hard to earn and even harder to hold on to.

The book begins with an account of the succession of peoples from the Neanderthals (45,000 B.C.) through the Cimmerians, Scythians and Sarmatians, and the effect of being at the edge of the Greek and Roman Empires. One theme that comes out of this treatment is that political divisions tend to follow the necessities of the local geography; hence the metaphor of Ukraine being “The Gates of Europe.” However, the most important part of this section is its description of the settling of the area by the Slavs (in the sixth century when they moved south from what is now northern Ukraine and Belarus), the founding of Kyivan Rus’ (in the ninth century, under the varangian Rurik dynasty), its Christian baptism in 988, the subsequent creation of the Metropolitanate of Rus’ (under the Patriarch of Constantinople), the “Golden Age” of Kyivan Rus’ and Kyivan Rus’ disintegration and dislocation due to struggles over succession and the Mongol invasion (1240).

It is in this section on the dissolution of Kyivan Rus that Professor Plokhy asks the critical question for those interested in the politics of contemporary Ukraine: “Who is the legitimate heir to the legacy of Kyivan Rus’, and who holds the proverbial keys to Kyiv?”

Those of us who studied Ukraine through Imperial Russian (or Soviet) lenses have been given one unambiguous answer to that question: Russia, to include the Russian nation, the Russian state and the Russian Orthodox Church, is the only legitimate heir of Kyivan Rus’. This claim is based on the fact that in the 13th century, notable titles and personalities (to include the seat of the Metropolitanate of Kyiv) moved east from Kyiv into what is now Russia. This move allowed for the eventual creation of the Orthodox Russian Empire and provided the factual basis for the current “Russki Mir” mythology that the Russian Orthodox Church uses to legitimize Moscow’s ecclesiastical, ideological and diplomatic (if not imperial) claims over Ukraine (and Belarus). Note that part of this claim for legitimacy is distinctly religious: other heirs to the Kyivan dynasty are dismissed because Russophiles deny their Orthodoxy (e.g., due to the Union of Brest), often referring to them as “schismatics” and “heretics.”

It is true that part of Kyiv’s authority and culture moved northeast to what is now Russia, but this is not the whole story; Kyivan Rus’ also moved west into what is now Central and Western Ukraine. Many historians of Ukraine (and both Catholic and Orthodox Ukrainian nationalists) point to this western heir as the legitimate cultural claimant to the legacy of Kyivan Rus’. Few non-Ukrainians are familiar with King Danylo, the master politician who unified Galicia and Volhynia into the Kingdom of Rus’ and whose rule over that kingdom was legitimized by no less than the pope of Rome. This story is paradigmatic for Ukraine: he used diplomacy to carve out a space for his nation, but his inability to consolidate enough power to maintain independence without help left it vulnerable to the fickleness of its supposed allies. In the case of King Danylo and the Kingdom of Rus’, it was the Holy Roman Empire that did not deliver the support Rus’ needed to maintain an uneasy peace with the Mongols; in later cycles it would be other names (e.g. Hetman Bohdan Khmelnytsky, Russia and the Polish-Lithuanian Commonwealth; Hetman Ivan Mazepa, Russia and Sweden; various communist and nationalist leaders and forces, and communist Russia; Stepan Bandera and Andrii Melnyk, Nazi German and the Soviet Union), but the outcome was always the same: a diminishing of Ukrainian independence (usually to Russia).

As far as religious legitimacy goes, there are currently four Ukrainian Churches that explicitly trace their history back to Kyivan Rus’: the Ukrainian Orthodox Church–Kyivan Patriarchate (UOC-KP, currently the largest by popular support); the Ukrainian Orthodox Church–Moscow Patriarchate (UOC-MP, the largest in terms of priests and parishes and the only one recognized as canonical by world Orthodoxy); the Ukrainian Catholic Church (UCC, in communion with Rome since the Catholic version of the Council of Brest in 1595–1596) and the Ukrainian Autocephalous Orthodox Church (UAOC). All of them consider themselves both Ukrainian and Orthodox, but the UOC-KP, the UCC and the UAOC explicitly set themselves against Russian imperialism and its version of Ukrainian history, while the UOC-MP has found itself in the difficult situation of trying to assert its credibility among Ukrainians while also supporting (and being part of) the Russian Orthodox Church. Pro-Russian and pro-Ukrainian administrations have tried turning the UOC-MP and UOC-KP into de facto state churches (as was done with the Russian Orthodox Church in Russia), but these efforts, as Plokhy writes, have only served to reinforce the need for pluralist solutions in Ukraine.

The Maidan, a popular uprising that led to the resignation of the pro-Russian president in 2014, brought the UOC-KP, the UCC and the UAOC together in support of the protestors (their protest was largely against the pro-Russian orientation of the president and in favor of the pro-European orientation he had promised and then forsaken), but polarized their relationship with the UOC-MP. During this time the Ukrainian Orthodox Church–Kyivan Patriarchate became the most popular church in Ukraine.
What can we expect from Acton in 2017?

Every year we want to expand and improve our event offerings. In 2016, we held more than 25 events, including lectures in our auditorium, film screenings, receptions around the United States and conferences throughout the globe. Next year will be even busier.

We already have nine Acton Lecture Series events planned for the winter and spring of 2017. You can expect great discussions on topics like free trade, C. S. Lewis and more. These lunchtime Thursday proceedings are the backbone of our events schedule, offering a formal lecture and giving audience members a chance to ask questions of the impressive experts in their various economic, academic and other fields.

Who doesn’t like watching movies? Acton will continue to host screenings of important films and documentaries. One screening you can look forward to in January is “Liberating a Continent: John Paul II and the Fall of Communism.”

Our biggest, most famous event every year is our four-day Acton University conference. It will be held June 20–23 at the DeVos Place, just a quick walk from the Acton office, in downtown Grand Rapids. Registration will be open early December. The full list of speakers will be available soon, but confirmed plenaries include Acton president and cofounder, Rev. Robert Sirico; president of the Ethics and Religious Liberty Commission, Russell Moore; and federal judge on the United States Court of Appeals for the District of Columbia Circuit, Janice Rogers Brown. This year will be another week of fellowship, learning and great discussions. Be sure to visit University.acton.org to see what’s new and improved and apply today.

We’re always updating our calendar and adding events as new opportunities and important topics arise, so be sure to follow us on social media and check our events page for the latest offerings. To never miss an event, subscribe to receive invitations and newsletters on our website homepage.

There have been serious attempts to reunite various pairs of these churches (most recently the Kyivan Patriarchate and the Autocephalists; their split dates back only about 20 years), but none have been able to overcome their differences. Many of these differences are intensely personal. For example, the Russian Orthodox Church anathematized Patriarch Filaret, the current leader of the Kyivan Patriarchate, for his attempts to free the Ukrainian Orthodox Church from Moscow’s ecclesial control. He famously reacted that this put him in good company; the Russian Orthodox Church had previously anathematized another Ukrainian independence leader, Ivan Mazepa, in the 18th century for his failed effort to free Ukraine from Russian control. Dialogue between the churches continues and there is always hope for their reconciliation, but in the meantime, a western orientation provides a more supportive framework for the legitimacy of the status quo (and thus, the legitimacy of the Ukrainian state).

If the best way to predict the future is to look to the past, it’s hard to doubt that Ukraine will once again fall under the dominion of Moscow. Ukraine’s leaders have squandered the opportunity provided by its 25 years of post-Soviet independence to consolidate its power, reorganize its economy and craft a unifying identity. As a result, independence-minded politicians must play Kyiv’s relations with an increasingly Imperial Russia, a country that has already annexed part of its territory and is waging a special war in another part, off against its alliances with Western states, NATO and the EU. It’s a tall order and their efforts to date hardly inspire confidence.

Again, history may not repeat itself, but it certainly does rhyme.

Rev. Anthony Perkins is a priest in the Ukrainian Orthodox Church of the USA and a professor at St. Sophia Ukrainian Orthodox Theological Seminary.

Kris Alan Mauren
Executive Director
Only Texas has moved to deregulating the local retail sector, opening it up to entry and competition. Basically the need is to separate the “wires business” from the competitive delivery of energy. When you rent a car, you are not required to buy your fuel energy from the car rental company.

The car rental and the gasoline do not have to be tie-in sales. But under state regulation of electric power, the pricing of energy and the rental of the essential capital are tie-in sales; similarly, in natural gas you have to buy the gas from the company you rent the local pipes from, not from one of the many competing suppliers of the natural gas commodity. Most consumers believe that because prices in these industries are state regulated they are protected from the “evils of capitalism.” It is just the opposite, but both the regulators and the companies regulated have powerful incentives to nourish that misbelief.

Looking back, what do you consider to be the main things we’ve learned from economic experiments?

We found that our experimental markets worked very effectively, far better than anyone expected. There are two fundamentally different kinds of markets. One is a market where you buy only to consume. The trades are final. People don’t buy hamburgers or haircuts to resell them or stockpile them for some future date. Most of the economy, over two-thirds of GDP, consists of nondurable goods and services like hamburgers, haircuts and hotel rooms. Consumers rent hotel rooms to stay in them—not to resell them for somebody else to use or resell. The same thing is true with transportation services. This explains the spectacular success of transportation deregulation—airlines, railroads, trucking in the U.S. and electric power in many foreign countries.

The second kind of market is for goods that are durable, like houses, or intermediate items like securities. For goods that can be retracted, there is a tension between value in use and value in resale. Houses last a very long time and you buy them largely with other people’s money. That sets the stage for bubbles, for a divergence between value in use and value in resale—a divergence that is not sustainable but can sometimes be fueled for many years by the flow of mortgage money.

My original experiments in the 1950s and 60s involved supply and demand in markets for nondurable goods and services, although I didn’t think of them that way at the time. It wasn’t until much later, looking back, that I began to see critical features and differences that I hadn’t seen before. I did not originally understand important differences between things that could be retracted and those that could not. But the markets for non-retraceable items, from the beginning, worked astonishingly well compared to what we had expected.

Think of it: People with completely private information, knowing nothing about the overall market conditions of supply and demand, found the predicted equilibrium in every one of those markets by trial and error adaptation. There were simple forms of it and very complex forms of it like electric power.

But you heard none of that story from the economic theory of the time that I and others were raised on. In fact, you learned the opposite. It was widely taught and believed that if people didn’t have complete information, markets would not converge to the competitive outcome. Generations of economists were brought up believing this, and I found that very disturbing. There was nothing wrong with the mathematics, it was the thinking that was narrow.

Some people delude themselves into thinking they can manage markets better than market forces can. They try it, but it’s not sustainable. That made me realize that many of the basic things we believed about economics were wrong.

I’d like to turn to a couple of questions that are related to your talk at Acton University. It seems like there’s a disconnect between scientific inquiry and religious inquiry. And in fact, we have colleagues in our own field, economics, who are quite critical of the impact that religion has had on all forms of inquiry.

Yes, it is a very popular attitude, which alone ought to give anyone pause.

Many of them make the argument that religion has at times impeded scientific discovery and progress. Yet last night you said there is not really any good reason for science and religion to be in conflict. Can you explain that?

Beliefs, both religious and nonreligious, often impede science. Recent changes in the status of this conflict have occurred, but they are more a result of what has happened in science, not in religion. Science has been trying to find the ultimate reductionist building blocks of all matter, life and energy. What science has found is that there isn’t anything material there at all. The ultimate constituents are things that sometimes behave like particles and sometimes like waves. And they have modeled them with wave equations and other representations. All of these models come from scientific intuition and thinking expressed in mathematical form. You might want to ask what the observational implications of that are, but none of these things are directly observable. Nothing. The underlying reality is mystical, not “material.”

Robert A. Millikan was in the physics department when I was an undergraduate at Cal Tech. He had won the Nobel Prize for measuring the charge on the electron, but he did no such thing. What he did was infer the charge on the electron. He had the ability to charge an oil drop and observe its speed dropping under the force of gravity between two electrostatic plates. He can measure the speed with the electrostatic field turned off, then again
with it turned on. Equations of motion allow one to calculate what must be the charge on the electron, if the change in its velocity is given by the measured change when the field is turned off versus on. But of course they are all invisible, and intangible, products of the mind. The electron is known from its theory and the effects measured by classical instruments: You infer its existence and infer its charge indirectly by mental reasoning.

You can observe the evidence of things you cannot see? Is that right?

Exactly, yes; observations are indirect. It hit me years ago that in Hebrews 11:1, one finds wisdom for both science and religion: “Now faith is the substance of things hoped for, the evidence of things not seen.” In science, one must have faith in the believability, the truth value, of one’s theory. Where is that coming from? You don’t know it’s true, but its coherence can give you a glimpse of what you can’t actually lay eyes on. Then you find some controlled event that you can predict from that theory, and you can design an experiment, and the experiments all have to do with electrostatic fields and photographic plates and wires and transformers and batteries. Of course, none of that stuff had anything to do with an electron, but that’s what Millikan had to set up so he could look at what happens to an oil drop and infer the implications for the charge on the electron.

You get the evidence of things not seen directly. How is that so different from what happens in religion? Science is a process for learning more and more about how things work. It tells you nothing about meaning, about purpose.

I had a thought during your talk last night, and I’m reminded of it again. One of the great evangelists of the 20th century, the Reverend Dr. Billy Graham, once said, “I’ve never seen the wind…. I’ve seen the effects of the wind, but I’ve never seen the wind. There’s a mystery to it.” Was Dr. Graham onto something?

I think that’s a very good metaphor for what we’re talking about. Modern science is able to devise instruments so that it is able to show that molecules of air are moving, and that’s what we call “wind.” Billy Graham was a great American, with a powerful message for living.

I look at all this now and I see much more convergence between religion and science. I believe that reality and its recognition is going to win our allegiance if we keep our minds and hearts open. How long can Richard Dawkins keep saying, “It’s in my material brain?” He’s got to tell me what this material brain is that he thinks gives him so much understanding. He’s claiming to know things that he cannot demonstrate. But I would say, “Wait a minute. No, don’t be deceived by the language. What explains that explanation? Where is the deeper meaning?” Such superficial arguments should not deflect Christians from their belief that “Ye shall know the truth and the truth shall make you free.” That includes both religious and scientific truth.

You’ve got to ask “why,” like the child. I remember it most recently with my youngest son catching me up in that. He asked, “Daddy, why…?” I don’t remember the question. “Why so and so?” And I said, “Well, here…” and I’m describing how things work. Then the child says, “But why? Why is that?” And so then you look for something a little more fundamental. Very few questions and he’s got you to the outer limit of knowledge. He’s got you up against the wall, and you have no place to go because our knowledge is so limited and incomplete.

Some of our greatest achievements, especially in economics, go back to Scholastics like Thomas Aquinas. They wanted to understand the world around them, because, through a deeper understanding of, say, the market order, they believed they might gain greater insight into the mind of the Creator himself. Do you see in the future any sort of reconciliation of faith with scientific inquiry?

It seems to me that they will ultimately converge. I think it’s pretty neat that the Big Bang cosmologist was a Catholic priest who also was really quite an outstanding physicist. He took Einstein’s general theory seriously. And in 1927, the year of my birth, he came up with the Big Bang idea two years before Eddington was able to show that the universe was expanding, which suggested a common origin or area where everything began.
Elizabeth Schuyler Hamilton [1757–1854]

I cannot spare myself or others. My Maker has pointed out this duty to me and has given me the ability and inclination to perform it.

Known to most as “Eliza” and to her husband and closest companions as “Betsey,” Elizabeth Schuyler Hamilton is a forgotten founding mother. Eliza is best known as the widow of Alexander Hamilton, despite outliving him by half a decade. Her story is hard to piece together as she chose to erase herself from history, all while preserving her fallen husband’s legacy by commissioning Hamilton’s first collection of writings.

Historian Ron Chernow describes her as deeply religious, stoic and averse to self-pity. Eliza was the daughter of General Phillip Schuyler and Catherine Van Rensselaer Schuyler, one of New York City’s blue-ribbon couples. Eliza was born on August 9, 1757, and was brunette, with dark or even black eyes and an athletic build. Martha Washington once referred to her as “my ideal of a true woman.”

Eliza got to know Alexander Hamilton in the winter of 1780 while they were both in Morristown, New Jersey, and the two were married by the end of year.

Known as “the little saint,” Eliza was extremely devout. She was a member of the Dutch Reformed Church and made religious instruction a priority for her children. Every morning as she prepared breakfast, Eliza would have one of the boys read a chapter from the Bible or from a historical text.

Despite this busyness with her children and her husband’s career, Eliza was devoted to serving others. She also worked with the society for the relief of poor widows with small children. She sat for a portrait in a debtors’ prison, helping the artist get the funds to pay off his debt. In 1818, she won a charter from the state legislature to start the Hamilton Free School. This was the first educational institute in Washington Heights.

Regardless of his many flaws and his unfaithfulness to her, Hamilton had a strong, but imperfect love for Eliza. Part of Hamilton’s final words to her were in a letter he wrote: “Adieu, best of wives and best of women.”

Before turning 50, Eliza had been publicly humiliated by a cheating husband, become a widow, lost both her parents, lost her oldest child to a duel and watched her oldest daughter lose her mind.

On March 16, 1806, Eliza cofounded the New York Orphan Society, the first private orphanage in New York. She served on the board as deputy director and, eventually, director. She spent several decades overseeing every aspect of the orphanage, from raising money and collecting Bibles to personally investigating complaints. She even hired some of the orphans to work for her and helped one make his way to West Point. Such devotion to vulnerable children would not have been surprising to those closest to Eliza. In 1786, she essentially adopted Miss Fanny Antill, the daughter of a Revolutionary War colonel who could not take care of her after his wife died. Eliza took Fanny in, treating her and educating her as if she were her own child. Throughout her life, Eliza continually housed and cared for homeless children and other poverty-stricken individuals. Ultimately, Eliza married an orphan, adopted an orphan and cofounded an orphanage.

One of the oldest Revolutionary War widows, Elizabeth Schuyler Hamilton died on November 9, 1854, just seven years before the start of the American Civil War. She is buried beside her husband at Trinity Churchyard in New York City.
This issue of Religion & Liberty features an article on Arthur Koestler’s classic novel Darkness at Noon, which reminds us of the soul-crushing apparatus of the Soviet state under Stalin in ways, perhaps, that nonfiction could not. An interview with Nobel prize-winning economist Vernon Smith reveals that science, free markets and religious faith aren’t incompatible. All are prescient in ways I shall explain below.

As I put pen to paper for 2016’s last issue of Religion & Liberty, news broke of a poll indicating only 55 percent of Americans believe communism “is or was a problem,” compared with 91 percent of elderly U.S. citizens. As for my generation—the Baby Boomers—at least 80 percent of us remember a past where communism shackled untold millions and conspired to kill an estimated 110 million people in the past century. And we fear a future in which these horrors against humanity might be replicated.

Conducted by YouGov, the poll surveyed 2,300 Americans and also revealed that half of all millennials would vote for an avowed socialist, with 21 percent of the same age group willing to countenance unabashed communism. It gets much worse. The percentages of millennials unfamiliar with totalitarian tyrants of the last century are woefully low: Mao Zedong (42 percent), Ernesto “Che” Guevara (41 percent), Vladimir Lenin (33 percent) and Joseph Stalin (18 percent). The dearth of contemporary economic education also is dismaying—32 percent of millennials responded they were unfamiliar with Karl Marx!

I’ll leave it to readers to suss out all the reasons why the United States has slipped so drastically from the “free” category to “mostly free.” However, I would like to point out the direct correlation between the millennials’ poll responses above and the subsequent and measurable decrease in freedoms we enjoy in our country. It’s as if we’re forced collectively to suffer the death of a great nation by a thousand cuts rendered by overweening regulations, taxation and government incursions enabled by a thinly veiled political hostility to religious faith.

Little by little and piece by piece, our country’s citizens willingly forfeit their freedoms for the empty promises and unforeseen consequences of ultimately stifling government oversight. Among our infringed liberties are those guaranteed but increasingly neglected in the First Amendment; namely, religious freedoms.

How has this come to pass? How could we as a nation allow the relative prosperity of the past three decades to become proof positive of George Santayana’s dictum that those of us who forget the past are doomed to repeat it? When a nation such as ours educates our younger generations so poorly and we as a whole fail to reach the top 10 in the Human Liberty Index compiled by the Cato Institute, the Libertas Institute and the Fraser Institute, it’s nothing short of appalling. Even more appalling is that the same 2015 index placed the United States in the 20th position out of 170 nations.

The Heritage Foundation and Wall Street Journal cast our country in a more favorable light in their 2016 Index of Economic Freedom, wherein the United States is ranked “mostly free,” with an 11 ranking out of 178 countries. Yet, still, it’s disconcerting to live in a country considered the epitome of freedom throughout the world and to find ourselves excluded from the top 10 countries ranked for freedom and not even considered the most free country in North America. According to the Index:

Americans continue to lose economic freedom. Following declines in seven of the past eight years, the United States this year has equaled its worst score ever in the Index of Economic Freedom. Ratings for labor freedom, business freedom, and fiscal freedom have flagged notably, and the regulatory burden is increasingly costly.

Over the years, Acton has gathered together clergy, religious, philosophers, artists and economists to help us state our case that ordered liberty and freedom are natural rights bestowed upon all humanity by God and persistently under attack by power-hungry rulers. It’s time to renew our mission to replenish and reinvigorate people of all ages in the understanding that religion and liberty are inextricable. It’s past time to win the hearts, minds and souls of the millennials who know little to nothing of our cause, moving the needle back from “mostly free” to simply “free.”

Rev. Robert A. Sirico is president and cofounder of the Acton Institute for the Study of Religion and Liberty.
Lexham Press is pleased to announce the publication of a major series of new translations of Kuyper’s most important writings. Created in partnership with the Kuyper Translation Society and the Acton Institute, the Abraham Kuyper Collected Works in Public Theology marks a historic moment in Kuyper studies—one that will deepen and enrich the church’s public theology.

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