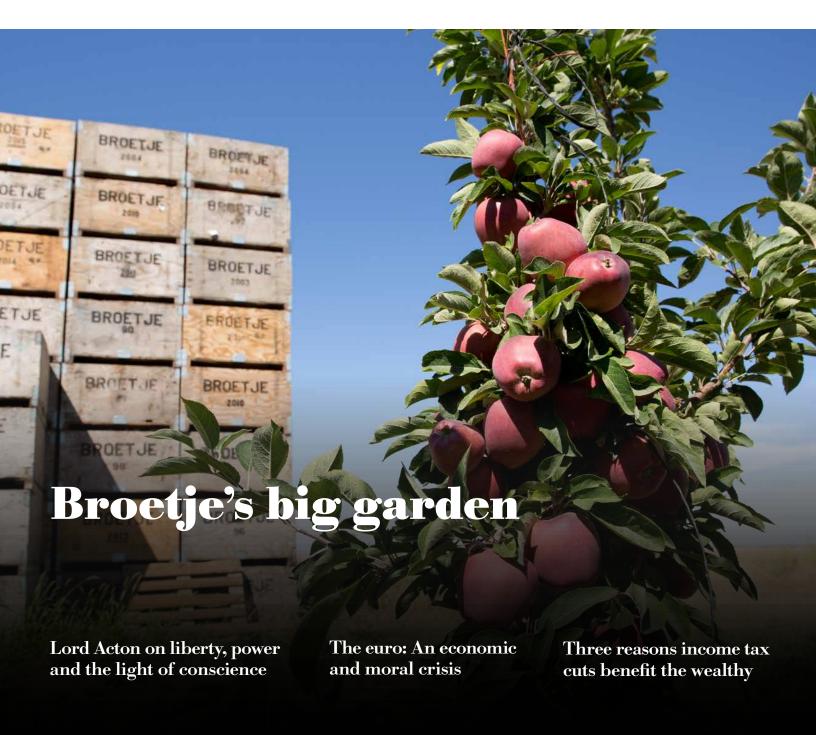
Religion & Liberty

ACTON INSTITUTE'S INTERNATIONAL JOURNAL OF RELIGION, ECONOMICS AND CULTURE



EDITOR'S NOTE

Sarah Stanley MANAGING EDITOR

For this fall edition of Religion & Liberty, the cover story focuses heavily on an autumn staple: the apple. Over the summer I observed an Acton-sponsored event for pastors in Walla Walla, Washington. During this event, several Acton staff and event attendees had a chance to tour Broetje Orchards in Prescott, Washington, and meet several members of the Broetje family. This family not only runs one of the biggest fruit providers in the nation but also constantly finds new ways to serve their employees and their neighbors. You can learn about this amazing family and the good they do for their Washington community in "Broetje's big garden."

So far there has been only one woman to be named a Nobel Laureate in the field of economics. That woman, Elinor Ostrom, was awarded the Nobel for her work on the use of natural resources. She conducted years' worth of field research on how communities preserve and protect their natural resources. Her work was honored with a Nobel Memorial Prize, and this issue's In the Liberal Tradition honors her life and contribution to the field of economics.

This issue's transatlantic pieces also cover a plethora of subjects, including the Euro, Lord Acton and an essay to help readers understand an issue that is very important today: Will robots create a workless world?

Our book features tackle two very different subjects. Rev. Anthony Perkins reviews Anne Applebaum's new book Red Famine: Stalin's War on Ukraine. This book "describes how the Soviet regime turned the breadbasket of Europe into an Armageddon" where "Communists showed themselves to be priests, crusaders, jailers and torturers for the Evil One." For the second book feature, Bruce Edward Walker reflects on the 60th anniversary of Jack Kerouac's novel On the Road.

Speaking of which, Rev. Robert Sirico reflects on "A multitude of anniversaries" in his column. He looks back on his own journey as well as Western civilization's journey in the 20th century.

For the final essay of the issue, Lewis M. Andrews makes the case that reforming education in the United States will benefit religion as well.



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Economic elites

Kishore Jayabalan

ACTON ROME

Intellectuals are often vocal critics of capitalism. Most of them lean left politically, so it is easy to identify anti-capitalism with progressivism. It is therefore no coincidence that the modern welfare state has been administered by elites eager to correct supposed market failures on the way to a more egalitarian society. Leftist elites tend to be university professors rather than captains of industry, but elites they remain.

How, then, are we to explain the growing dissatisfaction with capitalism among those hardy band of intellectuals who call themselves conservatives? Has capitalism changed in some fundamental way so as to lose their support? Or was it always seen as the ugly sister to be tolerated for the sake of the alliance against Communism? Perhaps there is something about intellectuals, regardless of their political affiliation, that leads them to look down on moneymaking as the driving force of society.

In a sense, this is nothing new. Historian Jerry Z. Muller explains the ways intellectuals have criticized capitalism in his book *The Mind and the Market*. Nowadays anti-market sentiment is especially strong among one small but influential subset of intellectuals: conservative theologians.

Free-market advocates, however, should admit that economics and "the economic way of thinking" also affect culture in no small ways. They need to address questions such as: What social or cultural factors keep economics in check, especially in a society that places commerce at its center? What happens when economics overcomes these

limits and comes to dominate at the expense of other goods? What are the downsides of the unlimited acquisition of wealth and an increasingly financialized economy?

Politics and religion often take a condescending view of economics and assume it can be directed and controlled at will, which the Keynesians were all too willing to allow. Elites tend to like dealing with other elites at the expense of the people. The problem is that the people need to work and will find ways to do so regardless of what their betters tell them and whichever models they may design.

Thankfully non-Keynesian economists take a much more humble approach to what can be known and dictated to a free people. Dare I call such economists populists? Maybe there is a way to bridge the growing divide between conservatives and libertarians after all.

Changing for the climate

Gregory Jensen

ACTON COMMENTARY

Too frequently, and despite overwhelming evidence to the contrary, environmental debates assume human beings are incapable of adapting to change. This is more than a little ironic, since most environmentalists would argue that climate change is the result of increased industrialization. The climate is changing because human beings continue to change and adapt to our environment.

As our ability to change led to industrialization (and diminishing global levels of poverty and increased standards of living), it has, in turn, brought about technological developments and cultural shifts that diminish negative human impact on the environment.

Water and air, for example, are dramatically cleaner now than when I was a boy.

Government regulations played a role. But these regulations reflected changes in human desires, technological advances, and the increased wealth. It isn't enough to want a better life or a cleaner environment. We also need the means to bring this about. More people around the globe have these means at their disposal, because we can change.

How close are we to ending extreme poverty?

Joe Carter

ACTON POWERBLOG

The World Bank defines extreme poverty as living on less than \$1.90 per person per day. How close are we to eliminating that level of poverty? Closer than you may think.

From the beginning of human history until about 1970, more people were living in extreme poverty than people who were not. But around 1970, economic growth began to lift millions out abject destitution. As poverty researchers Max Roser and Esteban Ortiz-Ospina explain, since around 1970 we began "living in a world in which the number of non-poor people is rising, while the number of poor people is falling. According to the estimates ... there were 2.2 billion people living in extreme poverty in 1970, and there were 705 million people living in extreme poverty in 2015. The number of extremely poor people in the world is 3 times lower than in 1970."

The idea that extreme poverty may have already "ended" and yet twice the current U.S. population is living on less than \$1.90 a day may sound underwhelming. Even as we

reach the "end of extreme poverty," we'll still need to continue, of course, to seek to have every person on earth have what they need to live. Yet considering that for most of human history everyone lived in extreme poverty, reducing the number to a mere 8 percent of the global population would be an astounding achievement and one of the greatest blessings in the history of the world. We may have a lot of work to do, but we should be grateful to God for having come so far in the past few decades.

The immorality of the inheritance tax

Ángel Manuel García Carmona

TRANSATLANTIC

Spain has one of the highest inheritance tax rates in the OECD, charging up to 34 percent of an estate upon someone's death.

The inheritance tax is immoral not only because its original Spanish form violated European legal norms and procedures but also because it forces children to pay taxes. for a second time, on the fruit of their relatives' or loved ones' labor. Those loved ones already paid tax on this income during their lives; now the state will charge another person a separate tax on the same income. Nor should the state so freely inherit and dispose of estates as politicians, rather than their earners, see fit. It is not right to use their hard work to benefit politicians or convert the state into a real estate agency.

Families should not be forced to sacrifice their property to sustain an expensive state. Entrepreneurs and businessmen are the ones who created this prosperity. Socialist bureaucrats must not undermine principles of social solidarity and subsidiarity.



TRANSATLANTIC ESSAY

Lord Acton on liberty, power and the light of conscience

Eugénio Lopes

ord Acton is best known for his famous expression "Power tends to corrupt, and absolute power corrupts absolutely." But there was much more to his thought than this one pithy dictum. To understand what he

meant by this phrase, we must understand his views about human nature, liberty, power and society.

"Acton is known as the historian of freedom," writes Johann Christian Koecke in "Freedom of Thought and Commitment to God." In Acton's writing, "[F]reedom is the predominant theme, his life's theme. There are authors who write about free-

dom, and yet their texts (and the authors themselves) make it appear as though there were a barricade between themselves and their subject."

Exercising power and authority are necessary to preserve the order within society. However, he condemned ab-

solute power because it does not respect human dignity.

Yet Acton made clear in his two volumes The History of Freedom in Antiquity and The History of Freedom in Christianity that he believed the essence of the word *liberty* had never been well interpreted. Beginning with Jesus Christ's teachings about liberty in the Gospels, he wanted to clarify this word in order to avoid the misinterpretations, confusion and polemics he saw forming the basis of harmful political ideologies.

For Acton, "Liberty [is] not . . . the power

of doing what we like, but the right of being able to do what we ought." Alternately, liberty is "the assurance that every man shall be protected in doing what he believes [is] his duty against the influence of authority and majorities, custom and opinion."

Conscience takes priority for Acton. Commenting on Lord Acton's ideas, Christoph Bohr writes: "No interests of any kind may limit a person's right. Nothing and no one has the authority to interfere

and authority are necessary to preserve the order within society. "

"Exercising power

with the voice of the conscience." But in a totalitarian political system, human liberty is revoked.

The light of a well-formed conscience cannot exist, Acton believed, in an absolutist political system, in which men are constricted to live according to ideologies imposed by the authority. Therefore, he extolled the separation of powers: that public interests should be separated from private rights, as should religious power from political power. About the conflict between secular and church rulers, he writes:

If the Church had continued to buttress the thrones of the kings whom it anointed, or if the struggle had terminated speedily in an undivided victory, all Europe would have sunk down under a Byzantine or Muscovite despotism. For the aim of both contending parties was absolute authority. But although liberty was not the end for which they strove, it was the means by which the temporal and spiritual power called the nations to their aid. The towns of Italy and Germany won their franchises, France got her States-General, and England her Parliament out of the alternate phases of the contest; and as long as it lasted it prevented the rise of divine right.

Freedom depends on a well-formed conscience. No political law can replace it. "The true guide of our conduct is no outward authority, but the voice of God, who comes down to dwell in our souls, who knows all our thoughts, to whom are owing all the truth we know, and all our thoughts, to whom are owing all the truth we know, and all the good we do; for vice is voluntary, and virtue comes from the grace of heavenly spirit within."

For Acton, freedom is part of human essence. Thus, "absolute power demoralizes" because it inhibits the free exercise of a well-formed conscience. Absolutism is "always accompanied by corruption of morality." This context sheds new light on his well-known aphorism that "power corrupts." It corrupts not only the rulers but also their subjects.

Eugénio Lopes is finishing his M.A. in anthropology and ethics.

BOOK

The dull palpitation of the new art: On the Road at 60

Bruce Edward Walker

have seen the best minds of my generation take the Beat gospel as dogma – much to their respective detriment. This year marks the 60th anniversary of the publication of Jack Kerouac's *On the Road* – considered with Allen Ginsberg's poetic rant "Howl" the pinnacle of the small (in actual numbers), loosely aggregated Beat Generation literary movement.

But what hath the Kerouac novel specifically wrought upon our culture these past three-score years? Frankly, it's a mixed bag. For one, the book inspired (and survived) some of the most caustic critical putdowns in history. Truman Capote claimed the book wasn't writing inasmuch as it was typing. In his 1958 poem "Circular from America," British poet George Barker writes:

Against the eagled • Hemisphere
I lean my eager • Editorial ear
And what the devil • You think I hear?
I hear the Beat • No not of the heart
But the dull palpitation • Of the New Art....

O Kerouac Kerouac • What on earth shall we do

If a single Idea • Ever gets through?

...1/2 an idea • To a hundred pages

Now Jack, dear Jack, • That ain't fair wages

For laboring through • Prose that takes ages

Just to announce • That Gods and Men

Ought all to study • The Book of Zen.

If you really think . So low of the soul

Why don't you write • On a toilet roll?

Barker's last line refers to the roll of paper on which Kerouac typed his original manuscript for *On the Road* in a style the author dubbed "spontaneous prose." The mad rush of words were intended to simultaneously resemble a jazz solo, while calling to mind amphetamine binges and religious ecstasy:

They rushed down the street together, digging everything in the early way they had, which later became so much sadder and perceptive and blank. But then they danced down the streets like dingledodies, and I shambled after as I've been doing all my life after people who interest me, because the only people for me are the mad ones, the ones who are made to live, made to talk, made to be saved, desirous of everything at the same time, the ones who never yawn or say a commonplace thing, but burn, burn like fabulous yellow roman candles exploding like spiders across the stars and in the middle you see the blue centerlight pop and everybody goes "Awww!"

There's also a tremendous amount of what Ezra Pound termed "logorrhea," a random jumble of words rife with run-on sentences and often devoid of punctuation.

hoto: Right: "Europäische Zentralbank" by MPD01605(CC BY-SA 2.0

Religion traditionally understood in *On the Road*, sadly, is more an afterthought than a central concern.

In his analysis of the work in *Jack Kerouac: Novelist of the Beat Generation* (Twayne Publishers, 1986), Warren French declares the book an admonitory romance first and foremost:

Certainly it is not a novel that preaches the benefits of rebellion any more than is J.D. Salinger's *Catcher in the Rve*.

What the novel communicates, in fact, is much like Holden Caulfield's advice to his readers after he has spent a night trying to sleep on a bench in Grand Central Station, "Don't ever try it. I mean it. It'll depress you." Certainly an attempt to duplicate the ironically named Sal Paradise's [Kerouac's fictionalization of himself] life on the road would prove equally depressing. Far from inciting the reader to hit the road, *On the Road* proves a traditional cautionary tale, warning readers about the sorry nature of the world. It promises the reader nothing but disappointment and disillusionment.

Indeed, Kerouac/Paradise frequently alludes to atomic bombs throughout the book as points of reference to bolster the book's apocalyptic themes. The world Kerouac depicts is far removed from the stifled, suburban communities of middle-class prosperity portrayed in popular culture over the past six decades. Sal Paradise is led through an *Inferno* of junkies, prostitutes, hobos and alcoholics by his handpicked Virgil, Dean Moriarty, the barely fictionalized persona of Neal Cassady, a major persona of the Beat Generation.

After dipping his toes in the fetid swamps of the American underbelly, Paradise on more than one occasion returns to East Coast suburbia to finish his novels and regroup. Moriarty, however, continues his irresponsible downward spiral, eventually abandoning Paradise – severely sickened by dysentery – in a Mexico City hovel:

When I looked up again bold noble Dean was standing with his old broken trunk and looking down at me. I didn't know who he was anymore, and he knew this, and sympathized, and pulled the blanket over my shoulders. "Yes, yes, yes, I've got to go now. Old fever Sal, good-by." ... When I got better I realized what a rat he was, but then I had to understand the impossible complexity of his life, how he had to leave there, sick to get on with his wives and woes. "Okay, old Dean, I'll say nothing."

What was it, then, about *On the Road* that incited subsequent generations to adopt the "beat" lifestyle, replete with rucksacks, libertinism and rejection of Western mores?

The counterculture eagerly cherry-picked the licentious aspects of the novel to rationalize their own immature behavior while ignoring the none-too-subtle cautionary notes Kerouac provided both in the novel and in real life. One can only conjecture that the allure of a life on the road devoid of responsibilities and moral order substituted for a closer reading – if actually read at all. Some people have to live the movie before reading the book.

Bruce Edward Walker, a Michigan-based writer, writes frequently on the arts and other topics for the Acton Institute. He hosts Radio Free Acton's "Upsteam" feature.







TRANSATLANTIC ESSAY

The euro: An economic and moral crisis

An economic union intended to advance freedom morphed into an increasingly centralized government stripping members of their freedom.

Michael Maibach

he 19-nation eurozone has been in a sustained crisis since the crash of 2008. The less competitive southern European states – Italy, Spain and Greece – have experienced high unemployment and anemic economic growth. In sharp contrast, more competitive northern eurozone nations, such as Germany and the Netherlands, have experienced solid growth since the Great Recession. EU-driven governmental austerity in the south has not done enough to improve those economies but has polarized their electorates.

As is too often the case when the EU confronts a crisis, the only cure they offer is "more Europe." France's new president, Emmanuel Macron, has proposed the creation of a eurozone budget, overseen by a eurozone finance minister who would then distribute the funds collected to the weakest member economies. This individual would have oversight over all 19 eurozone national budgets, determining the appropriate level of bailout to be accorded each nation. To finance the venture, he recommends that the European Central Bank (ECB) create, then sell, eurobonds. In the process, the

office would create a new form of national dependence, replete with opportunities for "political" rather than economic decision-making. Having lost control of their currency, such nations would thereby lose control of their budgets and taxing policies. Control would be centralized in Brussels and Frankfurt.

This is a far cry from the onetime economic union promoted as a means of economic flourishing.

The EU single market was launched in 1993. The goal was the free movement of people, goods, services and capital within what are now 28 member states. One of the chief architects of the European Union was former EU Commission president Jacques Delors. In the early 1980s, the French socialist proposed moving from a common market to a common currency to a common government. He viewed the process as a step-by-step means of creating a United States of Europe. The common currency, the euro, followed in 1999, when the EU formed a monetary union among 11 member states. The eurozone today includes 19 members, home to 375 million people with a GDP of \$12 trillion the size of China's GDP. Ironically, it is this "currency union" that may now threaten the EU's future.

Why the euro was created

The euro was created for three reasons. First, the euro aimed to deepen the EU single market by eliminating currency exchanges across national borders and creating transnational cost competition. Second, the currency was meant to become an alternative reserve currency to the U.S. dollar. And third, it could set the stage for a unified European superstate. Ironically, the euro has rapidly become a central cause of EU disunity.

While the euro is a single currency, the eurozone has 19 separate parliaments, heads of state and national banks. These national banks, plus the European Central Bank (ECB), make up the Eurosystem – akin to the U.S. Federal Reserve system. As you might imagine, one airplane and 19 pilots is a formula for an economic plane crash. The significant challenge of one currency spanning 19 governments is that elected officials are disconnected from fiscal accountability. Additionally, the lost mission of national banks is to impose monetary discipline. The third failure

here is that 19 nations have lost a vital economic tool, the appreciation or depreciation of their currency.

Currencies, by their nature, connect nations to global economic feedback and hold government leaders to account for the impact of their decisions. Nineteen EU nations have lost this vital tie to global economic forces. Today Germany has 4 percent unemployment and 68 percent debt-to-GDP ratio, while Greece – using the same currency – has 22 percent unemployment and 170 percent debt-to-GDP ratio.

The creation of the euro temporarily papered over these economic disparities. The EU Stability and Growth Pact of 1997, the treaty nations sign to join the union, requires that a nation's budget deficit be no larger than 3 percent of GDP and that the debt-to-GDP ratio to be no larger than 60 percent. Greece used false accounting in its 2001 application, and most eurozone nations no longer meet these require-

ments. In 1994, the 10-year interest rate on German government bonds was 7 percent, while it was 24.5 percent for Greek bonds. These interest rates reflected the relative risks of buying German vs. Greek bonds. The euro was launched in 1999. and Greece became the twelfth euro member in 2002. From 2002 2008, there was little difference between German

and Greek bond rates. But by 2011, due to the Great Recession, German government bond rates returned to 7 percent and Greek bond rates returned to 24.5 percent. As Warren Buffett once said, "Only when the tide goes out do you discover who's been swimming naked." And yet despite these dramatic differences, the trading currency of both nations has the same strength, unaffected by the decisions of their leaders. And somehow the ECB is expected to devise monetary policy advantageous to both extremes, and all 17 nations between them.

In summary, the eurozone has had the effect of undermining national fiscal accountability, monetary discipline and the ability of 19 nations to benefit from the economic feedback of changes in the value of their currencies and what those say about their level of national competitiveness. When the Great Recession arrived, weak eurozone economies, such as Spain and Italy, could not compete with Germany, Austria and the Netherlands within the same currency union. By joining the euro, nations such as Greece have lost internal fiscal disciplines as well as the "release value" of currency depreciation and its competitive signals.

The question is, what is the right course going forward? President Macron would create eurobonds and a centralized Euro-fund to transfer wealth from northern to southern Europe in exchange for more centralized control over their national budgets. This would further remove those nations from

currency union will unravel. We see the beginning of a continental government forming today. Second, when the value of a nation's currency becomes disconnected from the decisions of elected leaders, public accountability is lost, just as are the vital market signals related to the efficacy of those decisions. Good behavior, such as thrift, industry and efficiency, is not rewarded and bad behavior, such as profligacy, sloth and poor decision-making, is not discouraged. And third, the history of power and its successful use since the Protestant Reformation and the American Revolution has been the history of decentralized and disaggregated power, of federalism, or the closest European analogue, subsidiarity. Moving power closer to people and markets will contribute more to growth and human flourishing.

The European Union and the eurozone project are meant to enhance the peace and prosperity of Europe. These are good



market forces and the policies needed to restore their international competitiveness, and further dilute their national sovereignty by concentrating decisions in the hands of an inefficient bureaucracy. Creating more dependency is not the answer.

The moral lessons

The eurozone project supplies key economic and moral lessons. First, currency unions have historically never worked because of the discrepancies between the national governments involved. Either the EU becomes a single nation, or its

and noble goals. But the current tendencies to centralize power in Brussels on all matters and centralize the control of national economies through a currency union strike against the historic trends of diffusing power and keeping it closer to the people.

Michael Maibach is a seasoned professional in global business diplomacy, with successful careers as the president and CEO of the European-American Business Council. Today he is a trustee and managing director of the James Wilson Institute.

IN THE LIBERAL TRADITION

ELINOR OSTROM (1933–2012)

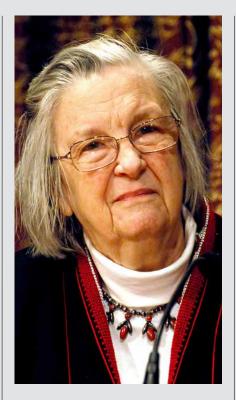
Sarah Stanley

linor Ostrom was a professor at Indiana University and the senior research director of the Vincent and Elinor Ostrom Workshop in Political Theory and Policy Analysis, which she and her husband founded in 1973. Ostrom was awarded the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel in 2009. She is the only female Nobel Laureate in economics.

Elinor Ostrom was born Elinor Clair Awan in Los Angeles on August 7, 1933. A child of the Great Depression, Ostrom quickly learned the value of hard work and put herself through UCLA, receiving a B.A. in political science. She avoided student loans by teaching swimming and working at the school library, a dime store and a bookstore.

Throughout her career, Ostrom faced many setbacks. In her official Nobel Prize autobiography, she describes shock that potential employers ignored her academic success and only cared if she had typing or shorthand skills. "I learned not to take initial rejections as being permanent obstacles to moving ahead," she says of the various early difficulties she faced. Later the economics department at UCLA was hesitant to admit a woman to its Ph.D. program, but eventually she joined a class of 40, including three other women, in the political science program. It was in her graduate work that she began researching and trying to understand local management of common resources.

Vincent Ostrom co-developed and refined the idea of "polycentric" public administrations, which was the basis



for Elinor Ostrom's graduate research. The two married in 1963 and later she joined him at Indiana University, Bloomington, after he was offered a full professor position. "I tagged along," Ostrom explains, "as it was very hard for any department to hire a woman in those days." She took on various part-time positions with the university until she landed a graduate advisor role.

The Nobel Prize summarizes her contribution to the field: she "challenged the conventional wisdom by demonstrating how local property can be successfully managed by local com-

mons without any regulation by central authorities or privatization." She shared the honor with Oliver E. Williamson "for his analysis of economic governance, especially the boundaries of the firm." Ostrom conducted field studies to challenge a long-held assumption that collective resources would be depleted or destroyed in the long run by their users. After conducting research on natural resources, such as fishing waters and forests, she was able to show that resources with many users are not destroyed, but rather the users establish their own rules to protect the resources. A profile of Ostrom in The Economist summarizes her philosophy:

Mrs Ostrom put no faith in governments, nor in large conservation schemes paid for with aid money and crawling with concrete-bearing engineers. "Polycentrism" was her ideal. Caring for the commons had to be a multiple task, organised from the ground up and shaped to cultural norms.

Ostrom conduced much of the necessary fieldwork herself. She traveled throughout the world but also looked to her own backyard as she studied "water wars" going on in Los Angeles.

In October 2011, Ostrom was diagnosed with pancreatic cancer, but she continued to write and lecture. Ostrom died in Bloomington, Indiana, on June 12, 2012; her final paper, "Green from the Grassroots," appeared in Project Syndicate that same day.

Vincent Ostrom died less than a month later.

COVER STORY

Broetje's big garden

Sarah Stanley

ometime in the early 1960s, a teenager attended a church retreat on the problem of hunger in Yakima, Washington, with his youth group. There he heard a missionary speak about working with children in India and the difficulties they faced. Suddenly, this kid had a dream. He wanted to start an orchard and he wanted to use his profits to help Indian children.

Today that teenager is the founder and owner, with his wife, of the largest employer in Walla Walla County, Washington (with nearly 3,000 employees at harvest time and more than 6,000 acres of apples and cherries), and the producer of 5 percent of all apples consumed in the United States. If you're in a market and pick up one of the 17 varieties of apples, a pear or a bag of cherries with a "First Fruits" sticker on it, that comes from Broetje.

The company also produces many fruits that don't grow on trees. The story of Broetje Orchards, with more than \$100 million in gross annual sales, is certainly not about overnight success. Ralph Broetie grew up on a chicken farm but didn't know anything about growing fruit. He married Cheryl, the daughter of a dairy farmer, who also didn't know anything about growing fruit. Neither had a college degree nor any business experience running an orchard. They went headfirst toward their goal anyway.

Gave everything, but it wasn't enough

In 1968, the Broetjes bought a cherry orchard in southern Washington, where the dry summers and cold winters east of the Cascade Mountains favor farming and fruit production. Well, mostly favor. The first year, the Broetje's cherry crop froze; the second year, rain ruined it; and the third year, fruit flies destroyed everything. Despite this horrific start and massive amounts of debt, Ralph and Cheryl had no intention of giving up. Neither did the people around them. The bank extended more credit, and a "dream team," as Cheryl calls them, of local residents came together to help monetarily and spiritually. A Sunday school teacher who remembered that ambitious kid and his dream reminded the now unsuccessful orchard



owner that this wasn't just about him, but the people he was called to serve.

By the 1970s, the Broetjes had found success. They were able to produce cherries, pay off debts, expand and hire. During this time they expanded into apples. However, like many agricultural operations, they faced plenty of setbacks as well as successes.

One of the most significant struggles came about in the mid-1980s. Local residents who worked in the Broetje orchards in the summer were less and less interested in the picking, hauling and other heavy labor that had to be done. At the same time, newly immigrated Mexicans and other immigrants were more than happy to take the work. That's also exactly when culture shock set in. There was a huge cultural and language divide between the Broetjes and their workforce.



Peace and refuge

The new workers faced a plethora of struggles and tribulations in rural Washington. There was an alienation from their new American Northwest culture; many employers saw their new workers from Mexico not as individuals with a variety of gifts and talents but simply as units of labor. Some orchard owners viewed the immigrants as necessary for the specific manual agricultural labor that needed to get done – and that's about all. Ralph and Cheryl remembered how their "dream team" came in to help them out when they had their early struggles with their orchard. Maybe now, as the Broetjes began to grasp some of the challenges their immigrant workers faced, they could help them. Cheryl describes the relationship as a kind of family. "We're all just tending a big garden together."

"Safety" was an issue that Cheryl and Ralph had never really had to think about but was a huge issue for their migrant workers. These hardworking men and women just wanted peace and refuge. Women had to make the heartbreaking decision to leave their kids BRIE

PROPERTY RIGHTS AND WATER CONSERVATION

Sarah Stanley

Conservationists are very concerned about protecting salmon and steel-head trout. The biggest issue they face isn't quality of the water, its water temperature. If there's too little water in the streams, the temperature rises and the fish die.

Conservationists allocate a certain amount of water for natural waterways so that streams maintain a reasonable temperature range.

Because of the amount of water that needs to go into the streams and rivers, there's a tight limit on the amount of water allotted to agriculture. Because of the "use it or lose it" rules in Washington state, people are essentially encouraged to waste: Why save water if you'll lose a portion of the total amount of water you receive next time?

Todd Myers, director of the Center for the Environment at Washington Policy Center, suggests giving property rights to the water. Once it becomes a farmer's property, they will do whatever they can to use as little as possible. They'd then sell any remainder to other farmers or conservation groups who would then make sure it all went back into streams. A farmer's decision about how much to use will be based on the price of water. Without that kind of incentive, they likely won't invest in better sprinkler systems or other technology to monitor water usage. "The free market is great," Myers explains. "It encourages people to do more with less. Our current system, the regulatory system in water, encourages the opposite, which doesn't benefit the farmer, other farmers or the fish."

Sarah Stanley is the managing editor of the Acton Institute and Religion & Liberty.

in their home and go to work in the orchards for the day. After one incident in which a fire broke out near a house while children were inside as their mother worked, the Broetjes realized they needed to create a safe environment for the workers' children, so they built a daycare.

Out of this realization sprang several nonprofit organizations funded by Broetje Orchards to address the needs of the orchard's workers and other marginalized groups. Today there are several neighborhoods built by Broetje-affiliated organizations, with schools, community centers, affordable houses to purchase and apartments for rent. Workers can earn a living in the orchards while their children are safely cared for in schools or childcare facilities.

Children are what Cheryl calls "the door into the family." Learning about the children's needs made the rest of the families' needs more apparent. The Broetjes, lifelong farmers, had to learn how to think like social workers. It began with schooling and caring for the children of workers but turned into stable communities where peace and refuge could be found.

Cheryl Broetje had already founded the Center for Sharing three decades earlier to offer relief and support for families living in Mexico. But what about her own backyard? It didn't take long for Cheryl to realize that many in her Washington state community had similar needs. Locals began pointing out that others could use the Center for Sharing's support: single moms, at-risk youth and anyone else who is or feels unable to achieve their goals and dreams. The center's work shifted and evolved. Today the center focuses on Robert Greenleaf's manifesto of servant leadership and fosters intentional community living. Neighborhoods supported by the center focus on three important facets: "The welcoming of strangers and practice of radical hospitality," "the discovery of each one's gifts" and "the practical employment of those gifts through associations created to serve the common good."

There are eight communities of practice started by the Broetje-affiliated Vista Hermosa Foundation and the Center for Sharing that ascribe to three mantras: servant-led, trauma-informed and committed to mutual empowerment. They're not low-cost housing for the poor; they're actual communities that fight alienation and lead to greater flourishing.

One neighborhood is Terra Vida ("Land and life"). In this intentional community, residents can live out principles of servant leadership. The neighborhood is in East Pasco, a city suffering from poverty, gang-related violence and drugs. I spoke with a Terra Vida resident who was able to find safety and comfort there. After coming out of a bad domestic situation, she was able to figure out her goals and gifts and start thriving in Terra Vida. She now works at the Center for Sharing, and beyond helping herself, she can now do much for her new neighbors and friends. She jokes that people shudder when she tells them she's living in East Pasco. Many think of this area as a dangerous place, but her community has a real sense of safety and belonging.

Many in Terra Vida are mentally ill. Society struggles to know how to serve these men and women, but not so in Terra Vida. A young man named Miles had been unable to find a job or provide for himself for years, but after finding his way to this community, he was hired as a dishwasher. He takes pride in that role and is offering a real service to his neighbors. Before he faced alienation and now he has a home, a job and a sense of belonging.

The gift of tacos

Much of the work at Broetje Orchards involves exhausting manual labor. Not that there aren't skills and know-how involved, but many of the jobs can leave a worker sapped at the end of a workday. Like many in other industries, farmers rely on this labor. The Broetjes, however, realize that while their workers bring great value as apple pickers or sorters on the line, they have much, much more to offer. While touring their facility, I got to see this firsthand. After watching apples travel through a landscape of conveyer belts, sorters, infrared readers and more, we took a break for lunch.

We arrived at a small building used for company retreats and private meetings. A man and a young woman served up pork and beef tacos with incredible flavor and plenty of options for salsa. The meal was a true labor of love. After eating as many tacos as was socially acceptable, I leaned back and made small talk with some of the Broetje employees and family members who had eaten lunch with us. I assumed the food had come from a local caterer, but someone mentioned that it had been prepared by a Broetje Orchard employee. Whether through sharing his passion for cooking or someone stumbling upon these delicious tacos, someone at Broetje realized that this employee had so much more to offer than just his physical labor in the orchards or on the processing line.

This is a perfect example of how Broetje operates. They value their workers as humans created in the image of God. They're not simply "units of work"; they're men and women with talents and skills who each have their own unique life stories. Today many Broetje employees are people who have immigrated to America looking for work. Many had skilled jobs in their home countries but came to the United States for new opportunities. They still bring these skills and passions with them. The cook is one example of this.

Current challenges

Roger Bairstow, director of HR and corporate responsibility, sheds some light on the labor situation at Broetje and the agricultural industry in the United States. Everyone I spoke to at Broetje Orchards acknowledged that some workers are undocumented. Bairstow refers to a recent study by the USDA stating that an estimated 60–70 percent of the nation's agricultural workforce is undocumented. "We'd be foolish to assume we're not part of this statistic," Bairstow says. In fact, in 2015 the Wall Street Journal reported that Broetje Orchards agreed, without admitting wrongdoing, to pay a \$2.25 million fine for hiring undocumented workers. When Broetje Orchards hires a new employee, it receives all necessary paperwork and doesn't make any kind of arrangements to pay anyone under the table. Employers can't look at a person and figure out whether that person is documented, so if they receive paperwork, they have to assume it's legitimate.

The Trump administration's crackdown on illegal immigration is particularly difficult and confusing for Broetje's immigrant employees. Bairstow describes the political climate figuratively as if it were a warning on the U.S. border: "There's a 'no trespassing' sign right next to the sign that says 'help wanted.'" He points out that the U.S. economy is growing faster than the native population can produce workers. But there's more involved than labor economics. Bairstow sees this conflict of needing workers and some people wanting to shut down borders as revolving around a single question: "How do we show love to our neighbors?"

Another challenge is water and agricultural regulation. Getting enough water for farms is a huge problem throughout the semi-arid

growing regions in much of eastern Washington. To expand production and produce more crops, Broetje Orchards needs more water, but the company has not received permission to drill another well. Bairstow laments that future farmers and entrepreneurs are not encouraged to create new businesses. Government regulations like that "don't serve the people well," he points out. The State of Washington Department of Ecology decided that at one point too many water rights were allowed and that to protect wildlife, salmon in particular, it would not allow any more water usage. This "use it or lose it" regulation reduces the total amount of water a farm is allotted if they don't use it all. While the intent is good, it encourages farmers to be wasteful if they require a smaller amount than they're allowed. Rather than conserving, many will use their allotted amount and dump any excess.

Another odd problem that the Broetjes face comes from, yet again, good intentions. Many churches and social groups see the immigrant Hispanic communities of orchard workers as a mission field. These churches are convinced that these hardworking, capable men and women are in desperate need of help. Cheryl recalls

groups showing up to give away goods that no one needed or to paint houses, despite most of the homes being new and in excellent condition. This approach is more than a little insulting. Relationships aren't formed and lasting communication isn't created. Missionary paternalism benefits absolutely no one and wastes valuable re-

"Many of the boys who end up at Jubilee have come from broken homes... and faced more in their young lives than some will ever endure."

sources. "Meaningful change," Cheryl explains, "happens in small places with one person at a time."

The original dream

Cheryl and Ralph Broetje have been committed to helping others from the beginning. They saw the alienation their new migrant workers faced and took concrete action to address the problem. But many other groups are suffering too.

More than 20 years ago, Ralph and Cheryl realized there were no good local schools in their region that could take in troubled teenagers and help them not only receive an education but also care for their spiritual needs. So they helped found Jubilee Leadership Academy, located adjacent to the orchards. I spoke to Rick Griffin, executive director and another founding member of Jubilee. This school, which has low admission costs, takes in boys aged 13 to 18 from all over America and gives them a place to live, an education and life skills.

"We live in a punishment-based society," Griffin explains, "but fear-based models do not work." This school takes a different approach to helping the troubled young men who walk through its doors. There's no "three strikes, you're out," no attempts to control and coerce good behavior. The school is more like a "monastery," according to Griffin. Instead of asking why these young men are

acting out, they ask what happened to cause them to adopt objectionable behaviors. Jubilee institutes servant leadership, trauma-informed care and mutual empowerment. "[A]s a Trauma-Informed Program for Teens," Jubilee's website explains, "we provide a safe Christian environment where students can recover from adverse childhood experiences such as: abuse, major loss, parental failure or adoption." This approach focuses on "realizing the prevalence of trauma; recognizing how trauma affects all individuals involved within a program, organization or system, including its own workforce; [and] responding by putting this knowledge into practice." Educators at Jubilee know how to listen.

Many of the boys who end up at Jubilee have come from broken homes, been in and out of juvenile programs and faced more in their young lives than some will ever have to endure. Jubilee staff members first try to assess where a student's fear and loss of control come from. Griffin emphasizes that we have to "accept people where they are" and try to give them the environment they need to first know themselves and understand why they behave the way they do and give them the tools to thrive in society.

Jubilee is certified school for secondary education, but it also assists with vocational training to help these boys explore their gifts and how they can offer these gifts to society. The school understands that there's more than just showing these boys love. You can be doing great spiritually, but if you can't hold a job, what is gained

for productive living? This model could certainly be implemented outside of eastern Washington, but it requires staff with self-awareness and an understanding of trauma-informed care.

Many other examples of Broetje-funded nonprofits emphasize servant leadership, trauma-informed care and serving others with the respect they deserve and often crave.

The Vista Hermosa Foundation, the philanthropic arm of the Broetje family, invests in several nonprofits working in India, such as World Vision. The partners work with farmers in Vidarbha, India, to provide training and other resources to help the community thrive. And another group, Oasis India, helps the people of Punganur (especially those in lower castes) flourish. The foundation primarily partners with organizations in Mexico, India, East Africa and Haiti, focusing on holistic solutions in rural communities.

Those daydreams of the ambitious teenager in the 1960s in rural Washington have, in many ways, come true. Today the orchards comprise some 6,000 acres, including a nearly 10-mile stretch along the Snake River. Despite this phenomenal business success, the Broetjes have never forgotten that their "big garden" is also a real community tended by men and women made in the image and likeness of their Creator.



TRANSATLANTIC ESSAY

Robots will not create a workless world

Will the coming wave of robotic automation usher in a utopia or a wasteland?

Peter Smith

The latest industrial revolution is afoot. Artificial intelligence (AI) is its defining ingredient. Some think it will bring superabundance. Some think it will bring job losses and lower pay. Some think it will bring both. Neither outcome is plausible.

Former world chess champion Garry Kasparov has a new book out called *Deep Thinking*. Losing to the computer "Deep Blue" gave Kasparov a close encounter with a member of the race of "intelligent machines." Despite this experience, he tends to see promise rather than threat in their growing power. I do too, but not quite in the same way. This is what he writes in an essay in the Wall Street Journal (April 14, 2017), which is adapted from his book:

Machines that replace physical labour have allowed us to focus more on what makes us human: our minds. Intelligent machines will continue that process, taking over more menial aspects of cognition and elevating our mental lives towards creativity, curiosity, beauty and joy.

After leaving school in the northwest of England, my second and third jobs were at factories producing, respectively, biscuits and cars. Most of those employed were on the factory floor. It is fair to say from my experience that they had generally left school at the first opportunity. Let us suppose for a moment that robots took over their jobs. My guess is that they would want another factory job rather than the delights of poetry readings and philosophical meanderings. In saying this, I am not in the least putting these working people down. I would feel exactly the same way.

It is instructive to take a backward leap to 1930 and to John Maynard Keynes looking forward to a bountiful future of superabundance in his essay "Economic Possibilities for Our Grandchildren." He predicted:

We shall once more value ends above means and prefer the good to the useful. We shall honour those who can teach us to pluck the hour of the day virtuously and well, the delightful people who are capable of taking direct enjoyment in things, the lilies of the field who toil not, neither do they spin.

Notice the similarity. Neither Kasparov nor Keynes is talking about most people. They are talking about themselves and people like them. I suggest, without rancor, that most people would not welcome a future of enforced idleness and leisure, however much opportunity it gave for mental contemplation.

Fortunately, this brave new world of idleness and leisure is a chimera. It will never come to pass. The latest round of automation and technological upheaval will not result in a land of plenty coexisting with entrenched unemployment. As Keynes' prediction proved to be wide of the mark, so will be Kasparov's. Free-market economics and human nature are the keys to understanding the effect of yet another industrial revolution, since the first began in the second half of the 18th century.

The fourth revolution

Klaus Schwab, the executive chairman of the World Economic Forum, neatly puts the latest industrial revolution into historical context ("The Fourth Industrial Revolution," Foreign Affairs, December 2015). He captions the first revolution as steam power mechanizing production; the second as electric power facilitating mass production; and the third as electronics and information technology automating production. Obviously there was a lot more to each of these revolutions, and different historians frame and time them somewhat differently. But, for my purpose, this not so much matters. It is the fourth that matters.

The fourth industrial revolution, already underway, Schwab describes as the digital revolution. He sees "artificial intelligence, robotics, the internet of things, autonomous vehicles, 3-D printing, nanotechnology, biotechnology, materials science, energy storage, and quantum computing . . . disrupting almost every industry in every country." He, along with others, sees this revolution bringing profound breakthroughs and at a pace without historical precedent.

This latest industrial revolution might possibly turn out to be more profound and fast-moving than earlier revolutions. Accordingly, it might turn out to be more disruptive and cause more transitory unemployment. However, there is no basis for believing that it will result in permanently higher levels of unemployment, nor in enduringly depressed incomes. Free-market

capitalism will see to that. Nor is it remotely likely to produce an oversupply of material riches. An unholy appetite for worldly goods will see to that.

Economics is one of those subject areas where trees constantly obscure the woods. This is why noted economists can become obsessed with income and wealth inequality as a meaningful measure of economic health when, in fact, they have no idea what level of inequality is ideal or how to achieve it. A national economy is a large, complex and dynamic system. Modesty is the best policy when it comes to assessing our ability to comprehend such systems; never mind to control and manipulate them.

There is no shortcut to desirable outcomes. One thing usually leads to one or more unintended and unexpected consequences. What we can do is take a large step back and envision the forces at work. When we do that for a free-market economy, we see forces of supply and demand.

The force of supply consists of large numbers of businesses of all shapes and sizes producing and selling a vast array of different goods and services. The force of demand consists of large numbers of businesses and individuals buving a vast

array of different goods and services. Market prices, responding to shortages and gluts, are constantly working to bring individual product supplies and demands into alignment. This alignment is akin to gravity. It is pervasive and reasserts its dominance no matter how the economic system is

buffeted. That is how markets work. And we can be confident of them always working that way.

There is something else about markets that, though self-evident, is profoundly important when it comes to assessing the effect of technological changes on employment. A business can't make a product (including by using a robot) and sell it at profit without someone being inclined to own it and having sufficient wherewithal to buy it. Let me generalize this self-evident proposition.

Those who accumulate great monetary wealth from supplying goods and services ("rich capitalists") succeed only because

many people enjoy the goods and services (the material riches) supplied. Only by enriching their customers with tangible goods and services do capitalists build their bank balances. So, when you see a rich capitalist, unseen are many satisfied customers, all of whom have had the wherewithal to purchase the goods and services in question. There are no rich capitalists (cronies and crooks apart) sans satisfied customers. This proposition is a vital amulet to ward off the misguided notion, often propagated by socialist-leaning economists, that technological breakthroughs primarily benefit the rich. This school-boy error stems from mistaking monetary wealth for material wealth.

So much for the way free-market capitalism works. How about human beings? How do they work? Specifically, do they have an abiding and relevant characteristic shaping their economic lives? I suggest that they do. On the whole, human beings are insatiable. They always want more goods and services than they are able to afford. While ascetics at one extreme and billionaires at the other may not fit this mold, all but this tiny minority of the seven billion-plus people on earth distinctly do. As ultimately unsatisfying as it is, materi-

alism is a pervasive fact of this earthly life.

This well-based assumption about the materialistic nature of human beings informed the classical economists before Keynes. However, it appears to have played no influential role in Keynes' thinking. As a result, he placed demand defi-

ciency at the center of his economics and thereby led macroeconomic policy astray. We will be equally led astray by implicitly assuming demand deficiency when predicting the fallout from the latest in the sequence of industrial revolutions. Put free-market forces together with human nature, and the narrative of plentiful idleness crumbles away.

Scarcity will not turn into superabundance

Take the vehicle manufacturing industry. It is highly automated and becoming more so, even if Mercedes-Benz reportedly kicked ro-

"As ultimately unsatisfying as it is, materialism is a pervasive fact of this earthly life."

bots off one of its assembly lines because they were not adaptable enough. The trends aren't promising for that particular occupation. The question to ask is, if all vehicle manufacturers sack their assembly line workers, who is going to be able to afford to buy their cars? Plenty of other industries employ people. Yes, but they too are automating and sacking workers.

Superabundance is unachievable in this earthly realm. Poverty to one degree or another will always be around. "For you have the poor with you always," Jesus said (Matthew 26:11). This truth is borne out by the existence of ingrained poverty within all wealthy nations. But, poverty aside, people will never be satisfied with what they have, even those living well in the West. Witness ever-growing credit card debt.

The automation of existing production will do what it has always done. It will create the conditions for the development of new products, for new demands, and for new, different and well-paying jobs to emerge. This is the only way capitalists will be able to sell their products after automating their production processes. It will happen more or less synchronously.

It is not only fundamental economic forces and human nature that should make us skeptical of fears that the current industrial revolution will cause intractable mass unemployment. Experience should too. None of the past revolutions has left permanent unemployment in its wake, notwithstanding the fear of "machine breakers" in the late 18th century.

The market creates harmony and balance

Recent historical experience is instructive. Workforce participation has risen since the end of the Second World War, despite increasing automation. In the United States, the participation rate was less than 60 percent in the 1950s compared with well in excess of 60 percent in more recent years. Participation has similarly risen in, say, the U.K. and Australia since the 1970s. It is true that underneath these numbers is rising participation by women against falling full-time participation by men. But the plain fact is that overall workforce participation has risen rather than fallen, as have real hourly wages, over the past 50 to 60 years of profound labor-saving technological changes.



There have been a large number of technological changes since the first industrial revolution began in Britain around 250 years ago. If these had cumulatively dampened employment, very few people would now be employed. Moreover, it is the new norm that families with children require two incomes to pay the bills and live comfortably. This is hardly consistent with a trend toward sated wants and increased leisure.

Artificial intelligence, robotics, 3-D printing, nanotechnology, biotechnology and the like are disruptive technological changes. People stress about them with some cause. Such changes always result in unemployment in some areas, for some time. An exacerbating factor this time

around is that we have more onerous regulatory regimes in place across labor and product markets than in past eras. These reduce market flexibility, which allows wages to fall, some businesses to downsize, and others to develop and expand—free of costly and time-consuming obstacles. Such flexibility mitigates the effect of technological change in generating transitory unemployment.

It is certainly possible that the latest industrial revolution will produce more dislocation than experienced in the past. But it is essential to take account of unrequited human wants and the symbiotic relationship between those making products and those buying them.

There are more than seven billion people in the world, very few of whom have all that they want. We have a system of capitalism that generates a balance between supply and demand - and which critically depends on sufficient numbers of people being employed and being paid enough to purchase goods or services. The system simply will not work for any length of time if there is an imbalance between automated production churning out vast quantities of products and a growing army of unemployed who can't afford to buy them. It simply can't and doesn't work that way. Temporary imbalances can exist and produce recessions. But, left alone, these are part of a process of the economic system moving back into alignment.

Long-term mass unemployment is not a technological phenomenon, neither is it an economic one. It is a political one. Get the politics right on trade deals, on regulations and on taxes and technological change and, yes, even robotics potentially benefits almost everyone. Contemplating nature, à la Kasparov and Keynes, is not one of the benefits, though there's nothing wrong with doing that. The benefits come in the form of a range of different jobs and of increased supply and variety of goods and services - for the rich, the not-so-rich and the poor. In the latest industrial revolution, there is nothing to fear but fear itself-and, I would add, inept and interfering governments.

Peter Sith was CEO of Australian Payments Clearing Association Limited for 14 years. Now retired, he blogs and writes regularly for Quadrant and authored the book Bad Economics (Connor Court, 2012). COLUMN

A multitude of anniversaries

As we reach the end of 2017, we look back on several important anniversaries.

Rev. Robert A. Sirico

The waning of 2017 invites a recap of all the year represented to me and the entire Acton universe. This is one reason why we recognize significant anniversaries.

Among the events marked by anniversaries in 2017 is the centenary of Fatima, which resonates strongly in my personal history. I was ordained to the priesthood on May 13 – the Feast of Our Lady of Fatima, or more precisely, the Feast of Our Lady of the Most Blessed Sacrament – the title under which the Blessed Virgin appeared to the three shepherd children.

"The czar was deposed, the royal family executed and Vladimir Lenin introduced."

May 13 also happens to be, in the Tridentine calendar, the Feast of St. Robert Bellarmine, making it to use the Italian title for one's "name-day," my *onomastico*. The date of my ordination in the United States that year also happened to fall on the eve of Pentecost, the birthday of the Church and, to my mother's delight, Mother's Day, on which I celebrated my first Masses.

Also remembered this year, a few centuries earlier, a certain monk nailed grievances onto a door and forever changed the Christian church. October 31 marked the 500th anniversary of the Protestant Reformation that started with Martin Luther.

October 2017 also marks the 100th anniversary of the Bolsheviks taking power in the October Revolution. The czar was deposed, the royal family executed and Vladimir Lenin introduced—for the first time in history—the doctrine of Karl Marx in political form. By the time the first 50 years of Communism was complete, there had been more Christian martyrs than in all Christian history combined.

There are varied elements of the Marxist dogma that would become influential both directly and indirectly in the coming century, up to the present moment. By directly, I refer to the ideology of class struggle, abolition of private property and materialism that, unfortunately, refuses to abandon public and political discourse. By indirectly, I mean the hermeneutic or taxonomy (a way of interpreting or classifying things) applied to other areas: the diminishment of the individual human person and his private initiative; humans and the environment; racial division, etc.

This would include a concerted effort in particular to destroy the Russian Orthodox Church and attacks on the human person and our creative capacity to create wealth by free individual initiative. Thousands of bishops, priests, religious and the faithful laypeople would be killed and Church property confiscated by what would become the Soviet Bloc. These errors and their political institutionalization would be extended to the Baltics and throughout Central Europe and other regions, and would eventually be adopted in China, North Korea and Cuba – as well as spurring like-minded movements throughout Africa and Latin America, the latest instance of which is what is presently happening in Venezuela.

The 20th century might now be said to have been one of the most complex in human history. Admittedly, it is difficult to make this assertion with great confidence given that the 20th century is less than two decades behind us. No doubt historians will require even more decades to attain a sufficiently broad perspective to assess its significance.

BRIEF

HOW
CATHOLIC
SOCIAL
TEACHING
STRENGTHENS
THE CASE
FOR TRADE

Kaetana Leontjeva-Numaviciene

The Roman Catholic Church reminds us that we are all a family, and manmade restrictions should not be put up to prevent the cooperation of its members.

By restricting trade, politicians undermine not only trade as such but also the specialization and realization of human talents. Naturally, it is not "America" that trades with "China," but American individuals, families, communities and companies that trade with their Chinese counterparts. The obsession with national balances of trade is meaningless.

Pope St. John Paul II stressed in his encyclical *Sollicitudo Rei Socialis* that "the economically weaker countries, or those still at subsistence level, must be enabled, with the assistance of other peoples and of the international community, to make a contribution of their own to the common good with their treasures of humanity and culture, which otherwise would be lost forever."

Obviously, free trade should not turn it into an idol. We often hear that free trade has lifted billions of people out of poverty, when in fact it is billions of people – through their hard labor and unrestricted exchange – who lifted themselves out of poverty. Free trade should be recognized for what it is: an exchange among free persons; a process; a means to a better end, not an end in itself. A means that, when people are free, brings about their true flourishing as God intended.

BOOK

The war on Ukraine – and freedom – continues

A review of Anne Applebaum's Red Famine: Stalin's War on Ukraine.

Rev. Anthony Perkins



"It is tempting, if the only tool you have is a hammer, to treat everything as if it were a nail." – Abraham H. Maslow in Toward a Psychology of Being

And if that hammer is the power of the state, and if the wielder is unconstrained by morality or a worthy goal, then the result is bound to be a hell on earth for everyone but the wielder. This was certainly the case of Stalin and

what he did to Ukraine. Anne Applebaum's *Red Famine* describes how the Soviet regime turned the breadbasket of Europe into an Armageddon where neighbor turned on neighbor, millions were starved to death and the Communists showed themselves to be priests, crusaders, jailers and torturers for the Evil One.

The early 20th century was not easy on the Russian Empire *cum* Soviet Union. One of the greatest challenges Stalin faced in the late 1920s was the need to control agriculture and the peasantry. He wanted to continue increasing industrial production and needed a way to cheaply feed his burgeoning urban workforce. Price controls and forced requisitions, the usual statist approaches, had proven counterproductive during the period of War Communism (1917–21) because they had decreased supply and alienated the peasantry, leading many to revolt. Opening agriculture up to market forces under the "New Economic Policy" (NEP; 1921–28) had increased production and quieted the countryside but was unacceptable for reasons of both ideology and control. In Ukraine, it had the added ill effect of strengthening a traditional bourgeois icon, the successful and independent farmer or, in the native language, *kulak*. Stalin

needed to find another way. His ideology, Marxist-Leninism, had taught him that the peasantry was an unreliable ally with little to no class consciousness, and history had taught him that just banging harder on quotas and requisitions would lead to non-compliance and revolution.

Stalin's solution was to transform the unwieldy mix of existing farms of various sizes and organization into a completely state-owned and centrally managed system of agricultural

factories or kolkhozes, doing to agricultural production what the Bolsheviks had previously done to industrial production. This would also solve the "peasant problem" by turning them all into de facto workers, a class that the Communists understood and knew how to control. Requisitions and quotas would be used both as part of the process of identifying rural bourgeois kulaks and as an excuse to drive them from their homes and land when they refused to comply. Their land would then be available for the collective farm or kolkhoz. This policy had been tried under War Communism, but at that time the nascent Soviet state lacked the capacity to implement it in the face of fierce opposition. This time, it was ready.

The resulting process of collectivization was demonstrably wicked, empowering thugs and naive idealists who used the force of the state to legitimize the worst kind of banditry. Nor was it simply a matter of immoral policies being enforced with a heavy hand, although there was plenty of that. One of the most effective tactics was to broaden the definition of kulak to anyone who opposed collectivization and then apply that broader definition capriciously so that every villager was at risk of finding themselves in the crosshairs of the Soviet mobs. Not only did the

resulting fear increase the number of villagers who were willing to give up their old way of life in favor of joining the kolkhozes, it also created a climate in which neighbors were encouraged to inform on one another, a tried and true tactic of totalitarians everywhere.

The driving force behind this policy was to raise the quotas of free grain required from the villages and farmers unreasonably high. This led farmers to grow less and consume or hide everything they had. The Soviets used the lat-

ter as further excuse to arrest farmers, ransack their homes for all the food they could find and drive their families from their land. Once again, this process was aided by the willingness of scared and starving

"The resulting process of collectivization was demonstrably wicked, empowering thugs and naive idealists who used the force of the state to legitimize the worst kind of banditry."

villagers to turn on their neighbors. Without the participation of ordinary people, the impossibly high quotas could not have been enforced, food could not have been stolen, the border to Ukraine could not have been closed (aid was not allowed in during the famine and villagers were not allowed to emigrate) and 3.9 million people would not have starved. One might expect this kind of behavior from naive idealists, ideologues and thugs; what made the Soviets so effective in their wickedness was their ability to get ordinary people to support or at least to allow - such evil. This book gives detailed and heartbreaking descriptions of what this complicity looked like.

This story of collectivization and the imposition of high quotas has been the standard explanation for the starvation death of up to 6 million (Applebaum gives the more conservative estimate of 3.9 million) souls in Ukraine from 1932–33, and Applebaum does a good job of describing it and its various mechanisms in great but readable detail. If it stopped there, *Red Famine* would be a convincing indictment of the Soviet experiment and of any government that is willing to move its control over the economy too far past the governing of the commons. However, she proves something more: Stalin wasn't just

trying to master agricultural production; he was trying to subdue Ukraine and eliminate "Ukrainian" as anything but a vestigial administrative description of the people who happen to be living in a particular Soviet Socialist Republic.

The Holodomor – "death by hunger" in Ukrainian – was, as the subtitle of the book describes, part of "Stalin's War on Ukraine."

The Ukrainian problem was not a new one for Moscow. In addition to outright war,

Russian imperial policies designed to *Russify* Ukraine included outlawing the use and teaching of the Ukrainian language, arresting its leaders, banning nationalist groups and large-scale resettlement. The Soviet war on Ukraine, along with the current one led by President Putin, is just a

continuation of that same effort. One of the reasons for this effort is the propensity of Ukrainians to organize in defense of their land and their freedoms. Stalin knew of this firsthand from the early years of the Soviet Union when the Ukrainian countryside, led by nationalist intelligentsia, organized itself into armies and militias to drive out various threats, to include Russian nationalists and Communists. Under War Communism, Moscow declared war on everyone involved. As with the agricultural policies of War Communism, the Soviet state lacked the capacity to sustain that effort. Just as it allowed Ukrainian farmers more freedom during the next few vears, so too did it allow more freedom for Ukrainians to use their language and organize according to their interests. As with the kulaks, this did not last; in the long term, all it did was put a target on the back of everyone who might have stood in the way of Soviet totalitarianism.

Applebaum describes many people and groups that fell prey to this dynamic. As a Ukrainian Orthodox clergyman whose Church (the Ukrainian Orthodox Church of the USA) was largely established by Ukrainian nationalist emigres, I appreciated her description of the fortunes of the nationalist Ukrainian Autocephalist Ortho-

dox Church (UAOC). The atheist Communist regime allowed it to operate through the 1920s in part because it helped undermine support for the larger Russian Orthodox Church and in part because it was strongest in the parts of Ukraine where the Soviet state had the poorest penetration. As the Soviets switched away from the NEP toward collectivization to subdue the peasants, it simultaneously moved against the intelligentsia. In 1929, the So-

viets arrested 30,000 intelligentsia, to include teachers and UAOC clergymen, for their participation in the Union for the Liberation of Ukraine (Soyuz vyzvolennia Ukrayiny, SVU), an organization that was completely made up by Soviet intelligence to justify a strong response against

Ukrainian nationalists. The UAOC did not survive that strong response and was soon forced to disband. As with the kulaks, once the Soviets had identified and moved against real Ukrainian nationalist leaders and supporters (and although its primary purpose was spiritual, there is no doubt that the UAOC fit into this category), they broadened the definition to include anyone who might be capable of working against the Sovietization of Ukraine, to include ethnic Ukrainian Communist Party leaders. The widespread crack down on Ukrainian leaders and nationalists paved the way for what Applebaum refers to as the "revolution in the countryside" and ensured that resistance to the Holodomor would be local and ineffective.

There is a third aspect of Moscow's "War on Ukraine" that needs to be considered, and that is disinformation. Because they were unconstrained by virtue or faith, the Soviets had no commitment to the truth. For them, truth was determined by necessity and the facts of history were established by the proper application of power. They were masters of disinformation, agitation and the false flag. This was nowhere more evident than with regard to Ukraine and the Holodomor. From then until now, Moscow has worked to hide and then reinterpret the intentional starvation of at least 3.9 million Ukrainians, even forcing the redefinition of "genocide" so that its application to the Soviet atrocities in Ukraine would be debatable. They continue to use their expertise and the full power of the state (including its media) to demonize Ukrainian nationalists and anyone who might challenge Russian imperialism.

Recent events have shown that this power can also be used against us in the West. In this, we are similar to the kulaks in the late 1920s, assured of our virtue but not well enough organized to protect us, our ideals, our unity and our way of life against the Russian agents and bullies and naive idealists who support them. While the threat to our way of life is not existential – as it was and is in Ukraine – it is real. Books like Anne Applebaum's Red Famine should lead us to treasure our freedom more dearly and recognize the need to defend it.

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"...Moscow has worked to hide and then reinterpret the intentional starvation of at least 3.9 million Ukrainians, even forcing the redefinition of 'genocide'..."

ESSAY

Today's education reforms benefit religion too

Lewis M. Andrews

ne of the clearest consequences of school vouchers, tax credits for private schooling and other programs that provide parents with a nonpublic option for educating their children, is the growing demand for parochial placements – and not just because of their relatively low cost. The bold 2007 prediction by the *Journal of Urban Economics* that religious schools would prove to be the primary beneficiary of K-12 reform is turning out to be, if anything, an understatement.

Today in Indiana, where more than 34,000 children are publicly subsidized to attend private schools, a 2016 EdChoice survey found that the top reason families leave their local district is not "better academics" – which comes in second – but "religious environment/instruction." Similarly, a study of New Orleans parents who put their children in a state-funded youcher

program post-Katrina revealed that "having religious subject matter inform the curriculum" was a primary factor in their choice of schools.

With nearly half of all states offering some form of K-12 school choice, organizations such as Notre Dame University's Alliance for Catholic Education (ACE) have been formed in recent years to ensure sufficient staffing for the predicted increase in parochial schools. John Schoenig, ACE's director for teacher formation and education policy, has noted that there is already a shortage of administrators in regions where choice policies have been enacted.

Yet despite this connection between the growth of school choice and the increasing demand for religious schools, the rather obvious implication – that future generations will likely be more religious – has gone remarkably unnoticed. Except for teacher union leaders, who have tried and failed to convince the courts that public funding of private schools constitutes the establishment of a state religion, social observers have largely missed the evidence that today's families view parochial education as a useful counterweight to secular influences.

Research conducted by Sacred Heart University Professor Christel J. Manning shows that a growing number of what she calls "religiously unaffiliated" or "marginally religious" parents are intentionally outsourcing theological instruction to parochial schools. Whether because they themselves had fallen away from church before having children or perhaps had switched from their birth family's very strict faith to a more liberal one or have simply ended up as time-pressed single parents, many mothers and fathers are more than happy to let religious schools define their kids' faith.

Of course, the probability that spreading school choice programs will strengthen the religious convictions of coming generations does not mean every denomination will have an impact proportional to its current size – or any impact at all. For even with the public financing of tuitions, the organization of a parochial school system requires the kind of energy and dedication that many currently floundering denominations simply lack. Those religious groups that managed to sustain an educational infrastructure when it was not subsidized – Catholics with the most schools as well as Baptists, Lutherans,

Orthodox Jews, Episcopalians and Seventh-day Adventists – would seem to have an initial advantage.

For Protestants, there is the added uncertainty as to which of its denominations will have the ability to reverse recent obfuscating tendencies. A 2014 survey by the National Association of Evangelicals found that nearly two-thirds of member churches had excluded their denominational affiliation from their name to appear less strict and opinionated to potential parishioners.

A sugarcoated faith may indeed attract those adults with little religious interest beyond the occasional weekend service and a few spiritually framed rites of passage, such as weddings and funerals. But denominations that aspire to influence coming generations will have to do more than provide a secular curriculum with a little Bible memorization sprinkled on the side.

Oxford University lecturer Nigel Fancourt, who is lead researcher of the Teaching Christianity in Religious Education project, finds that sophisticated topics, such as the relationship of faith to science, the meaning of other religions, the morality of abortion and the proper boundary between church and state, must be tackled directly and thoughtfully if students are to remain engaged. Parochial school instructors, such as Brian Douglas of the Ambrose Christian School in Meridian, Idaho, tend to agree. The failure to be theologically rigorous, he notes, only reinforces "a secular-sacred divide that undermines real Christian faith and practice."

While it is too early to predict the effect of today's education reform policies on specific Protestant denominations, there is no doubt that giving parents of all faiths the opportunity to religiously color their children's educations has profound cultural implications going forward. For just as the declining influence of the clergy on higher education conferred legitimacy on a host of secular ideologies following World War I, so the increasingly widespread spiritual framing of the K-12 curriculum cannot help but have a very different effect.

Lewis M. Andrews was executive director of the Yankee Institute for Public Policy from 1999 to 2009. He is the author of To Thine Own Self Be True: The Relationship between Spiritual Values and Emotional Health (Doubleday 1987).

BRIEF

HOW MUCH DOES CRIME PAY?

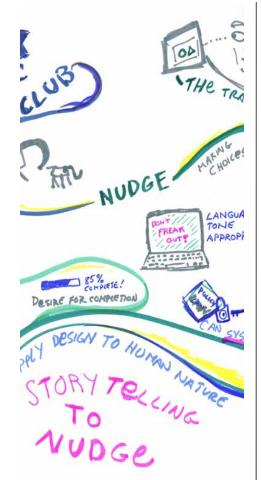
Joe Carter

The claim that "crime doesn't pay" was an early slogan of the FBI. In the short-term, however, criminal activity can produce an income comparable to the earnings of a middle-class worker according to a new paper published in the journal *Criminology*. The data was provided by interviews in the Pathways to Desistance Study and the National Supported Work Demonstration Project.

Individuals in this study reported earning an average of \$1,470 a week through criminal activities. Out of this group, 83 percent reported selling drugs for money, 41 percent engaged in burglary and 12 percent reported engaging in robbery. Participants reported working a traditional job an average of 11 weeks over a one-year period.

The other survey, by the National Supported Work Demonstration project, conducted interviews with people who were unemployed and had a history of employment problems but may not have had criminal backgrounds. Individuals in this study reported earning an average of \$914 a week through criminal activities. Out of this group, 55 percent reported selling drugs to earn money. In slightly more than 8 percent of interviews, they reported engaging in robbery. An estimated 38 percent of participants said they had engaged in other income-generating crimes. Participants in this group reported spending an average of 57 hours working a traditional job over a ninemonth period.

For both groups, those who did more legal work tended to have lower illegal earnings. For every \$1 earned legally, there was a 7 percent reduction in illegal earnings.



ESSAY

Marketers "nudge" us, but should government?

Victor V. Claar

n the wee hours of October 9 in the United States, the Royal Swedish Academy of Sciences announced that it had awarded the 2017 Bank of Sweden Prize in Economic Sciences in Memory of Alfred Nobel to the University of Chicago's Richard Thaler for his work in behavioral economics. Thaler's work raises important

questions about the state's influence over human action.

Put simply, behavioral economics is the application of insights from other social sciences, such as psychology, to the decision-making that economic agents like you and me face every day. Behavioral economists like Thaler are convinced that even small deviations of individual behavior from predicted rational choices can add up to significant shifts for society more broadly, away from what pure economic theory might have suggested. And such accumulated shifts may prove costly. Behavioral economics brings a variety of other insights to bear on our decision-making. For example, we tend to discount the consequences for our future selves of our actions today.

Perhaps the most interesting part of Thaler's legacy is that it has led to a phenomenon known as "nudge units." Drawn from the title of Thaler's bestselling book Nudge (coauthored with Cass Sunstein), nudge units are government agencies specifically intended to nudge you and me into making choices that are better than the ones we might make otherwise. Several countries, including the United States and the United Kingdom, created such nudge units, and their job is to reframe the decisions we face so that we will be nudged into better choices for diet, exercise, saving, etc. Defenders of public nudging argue that you and I still face the same range of options, though the clever positioning of the choices by the nudge unit might steer us in a better direction.

But there is a fundamental tradeoff to be considered when government undertakes the task of being "nudger in chief." While it's true that such nudging might encourage us to engage in the right behavior in the short run, it may very well weaken our innate ability to do the right thing simply because it's the right thing to do. If nudging weakens our capacity to see clearly the future consequences of our own actions or erodes our fortitude to follow through, then we risk becoming a society of sheep: going in whatever direction we're nudged, without any ability to make virtuous choices of our own.

This essay is adapted from a recent commentary.

Victor V. Claar is an affiliate scholar at the Acton Institute.

BOOK

We are getting income inequality wrong – and that's dangerous

Anne Bradley

■ he topic of income inequality is not. new—it is increasingly dominating academic and policy conversations. Is the large gap between the rich and poor in the United States a problem and is it getting worse? If so, what should we do about it and what can we do about it? Christians must wrestle with these guestions if we truly want to help not only the poor, but all those who might be increasingly marginalized by a rigged system. When economists try to measure income inequality in a society, they use a measure called the Gini Score. This is a statistical disbursement measure that tells us how income is held over a given population. A score of zero implies perfect income equality: every person has the exact same income. A Gini Score of one implies perfect income inequality: one person holds all the income and everyone else has zero. The United States has a score of about 0.42 by World Bank estimates.

The problematic nature of the Gini Score is that it tells us nothing about how the income is earned. How and why are the rich getting richer and how are the poor faring?



What will help us fill in the gaps is to look at how income is earned, particularly in the top quintiles. This is much more difficult to ascertain. It does, however, give us a way to think about the corrosive forces of cronyism. If those at the top are using subsidies, political financial contributions and bribery to rig markets for their benefit, we have a problem. This cronyism or corporatism allows the rich to get richer at the expense of everyone else.

Another factor that is important to try to understand is the income mobility in a society. How quickly are the poor able to escape poverty? What is important is how stagnant those categories are. If the poor are trapped in the lowest income quintiles, then that tells us something about the vibrancy and dynamism of a society.

What we want for the poor is for them to no longer be poor. What we want for the rich is that they work hard and use their creativity for productive purposes. Simply looking at the Gini Score in the United States will not get us very far in understanding whether the growing income gap is something to be worried about. Equally

challenging is that measuring income mobility and cronyism is difficult because the data required is not easily acquired.

People tend to be poor because they are excluded from market exchange. Wealth redistribution doesn't change that, but reforming cronyism does. What we need to ensure is that financial capital doesn't become equivalent to political power for corporations.

We can and should be a country of great opportunity whether one is born rich or poor, but we must know what to agitate for. Income inequality is not always bad, but if we misunderstand the problem, we too are dangerous, for then we can't possibly know what to fight and what to fix.

This essay was modified from a recent Acton Commentary.

Anne Rathbone Bradley is the vice president of economic initiatives at the Institute for Faith, Work and Economics, where she develops and commissions research toward a systematic biblical theology of economic freedom.

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The notion of shared values on both sides of the Atlantic has received new attention. Leaders like French socialist president François Hollande cite "democracy, freedoms and the respect of every individual" as key values. But what about religious liberty, the breakdown of the welfare state, advancing secularism and the health of civil society? R&L Transatlantic will cover these issues here with new articles.

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BRIEF

THREE REASONS INCOME TAX CUTS (ALMOST) ALWAYS BENEFIT THE WEALTHY

Joe Carter



As Congress discusses tax reform, the debate about who will benefit from tax cuts is back in the news. And many people are concerned with how the changes will favor high-income earners. The reality is that there is almost no way to cut income taxes without most of the benefits going to high-income workers.

1. Americans with high incomes pay most of the taxes

The intended goal of reducing taxes on Americans can have a significant effect on whose taxes are being cut. For example, let's say the goal is to cut income taxes to return a specific amount of money back to citizens – \$500 billion – in the hopes of stimulating consumer spending.

If that is our goal, then we can't cut the income taxes paid by the bottom 45 percent of American earners. Why? Because they already don't pay any income taxes. For 2017, official government data shows the top 20 percent will pay 95 percent of all income taxes. The rich benefit from income tax cuts because they pay most of the income taxes.

2. Americans with lower incomes already have low tax rates

But what if instead of focusing on a dollar amount, we just cut income tax *rates*? Couldn't we just cut the rates on the lower rungs of the income ladder? Not really, because they are already low.

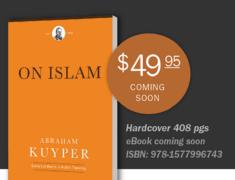
"The fact that they don't pay very much in taxes means that it's very hard to provide them with a large tax cut," says Adam Looney, a former deputy assistant treasury secretary for tax analysis in the Obama administration.

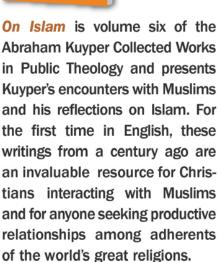
3. Marginal tax cuts benefit everyone

Income taxes are based on marginal rates, the amount of tax paid on an additional dollar of income. "It's basically impossible to have a large tax cut that doesn't involve most of the benefits going to high-income groups just because that's who pays taxes now," says Looney.

The real questions Americans—especially American Christians—should be asking is, why does it matter? Why are we so worried that the wealthy may be getting some sort of advantage that is out of proportion to what we may be getting? Perhaps we should be less concerned about sinful class envy and more focused on developing prudent tax policies that benefit everyone and lead to greater economic flourishing.

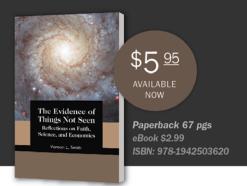
ACTON BOOK SHOP







Foundations of a Free & Virtuous Society, by Acton research fellow Dylan Pahman presents a primer on the intersection of a biblical understanding of the human person, economic flourishing, and freedom. Read it as a refresher course or share it with someone new to Acton's ideas. Pahman's tour of scripture, philosophy, and economics mirrors Acton's many highly successful conferences.



The Evidence of Things Not Seen, by economist Vernon L. Smith explores the aspects of contemporary science and uncovers the faith and mystery at the root of scientific inquiry. Smith reflects on the history of physics and economics, and the discoveries of quantum theory and experimental economics—all with a view toward the convergence of religion and science.

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