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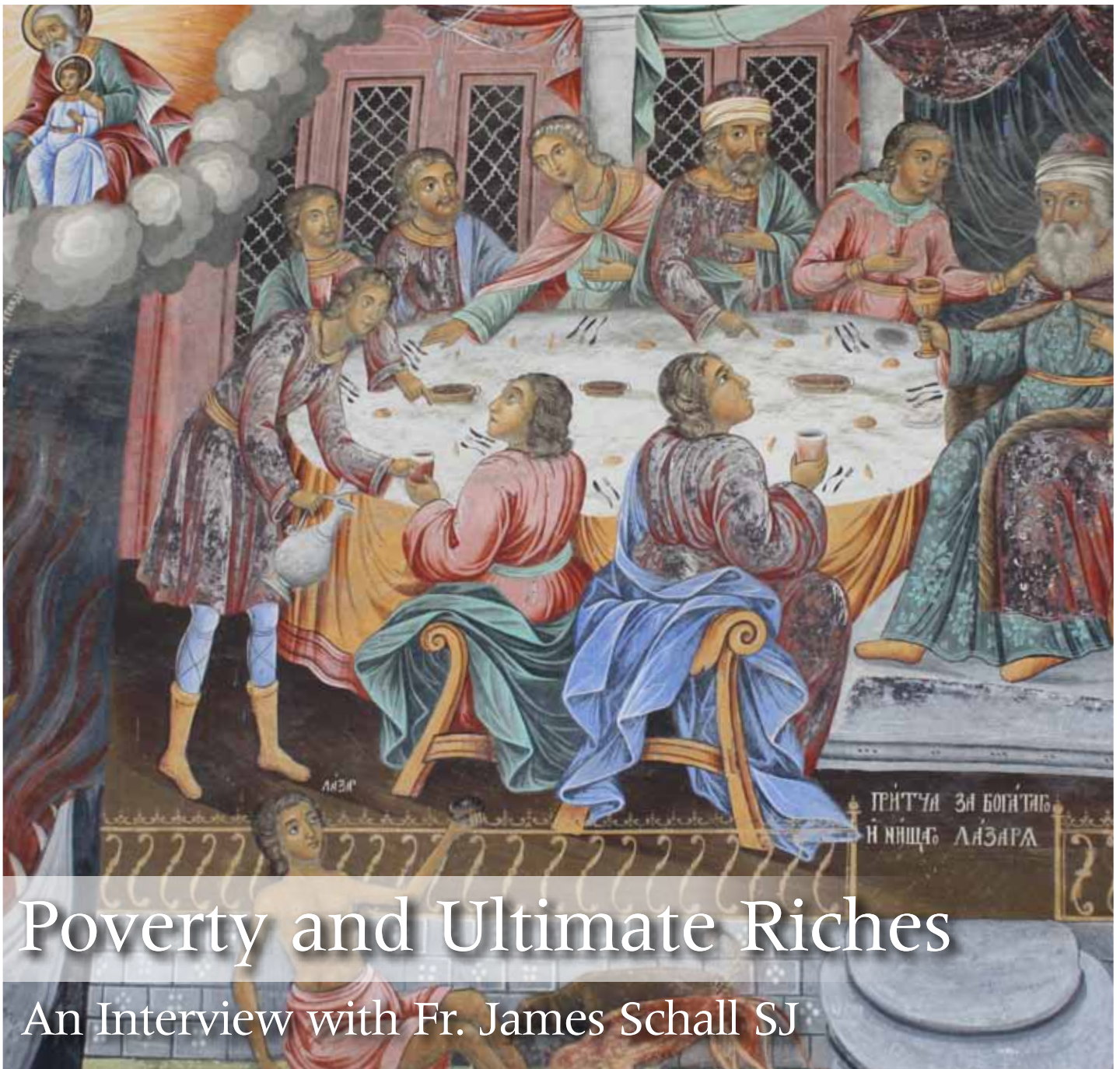
Summer 2013 | Volume 23 | Number 3

# Religion & Liberty

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## Poverty and Ultimate Riches

An Interview with Fr. James Schall SJ

A Journal of Religion, Economics, and Culture

# Editor's Note



It's always appropriate to discuss the tragedy of poverty, perhaps even more so with the approaching 50th anniversary of many of The Great Society programs. Much of America's government centralization has been motivated by movements to alleviate poverty and care for the downtrodden. An iconic *Life Magazine* photo spread in 1964 titled, "The Valley of Poverty" visualized for Americans haunting images of poverty in Appalachia. But many agree that the government's war on poverty has largely been a failure with devastating consequences.

In this interview with Father James Schall, he helps us to think differently about poverty. Father Schall, a logical and clear thinker, turns many of the ar-

guments we hear in society about poverty on their head and reintroduces us to deeper truths about the human person and Church teaching.

Rodger E. Broomé & Eric James Russell offer an article about some of the problems facing the youth in our culture today. The millennial generation or young people often get a bad rap—this is nothing new—but as secularization of our society increases, it's often the impressionable and vulnerable who are affected most. You may find yourself agreeing or disagreeing with some of their observations, but their conclusions are sound because their theology is sound.

Timothy J. Barnett reviews *Reckoning with Markets: Moral Reflections in Economics* by James Halteman & Ed Noell. Rev. Johannes Jacobse reviews George Gilder's new book *Knowledge and Power*. The most quoted living writer by President Ronald Reagan, Gilder proclaims in *Knowledge and Power*, "When faith dies, so does enterprise."

This issue also offers an excerpt on the importance of decentralization from Abraham Kuyper's *Guidance for Christian*

*Engagement in Government*. It's the first-ever English translation of Kuyper's *Our Program*, which was published in 1879. The intention of his work was to inform people participating in the Dutch general elections of 1879. Kuyper (1837 – 1920) was a Dutch prime minister and Reformed theologian whose work has been instrumental in the influence and thought of the Acton Institute.

Hildegard of Bingen (1098 – 1179) is the "In the Liberal Tradition" figure. She is a saint in the Anglican and Catholic churches, and Pope Benedict named her a Doctor of the Church. Hildegard is primarily known for her miraculous visions and contributions to music. She also praised and highlighted the contributions of vocation and work outside the Church, earning her popularity among the laity.

In Rev. Robert Sirico's column, he offers his thoughts on Acton University. The program truly embodies the very best of the Acton Institute and reminds us of the value of fellowship and coming together to not only transform the world, but transform our hearts towards God.

*Ray Nothstine*

## Editorial Board

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# Poverty and Ultimate Riches

An Interview with Fr. James Schall SJ

*Father James Schall was a Professor in the Department of Government at Georgetown University for over 35 years. He retired from that position in 2012. He is the author of numerous books, including: Another Sort of Learning (Ignatius Press, 1988); Idylls and Rambles (Ignatius Press, 1994); and Religion, Wealth and Poverty (Fraser Institute Press, 1990). His most recent book is Reasonable Pleasures: The Strange Coherences of Catholicism (Ignatius Press, 2013). In August of 2013, Schall published a piece in The Catholic World Report that received considerable attention titled, "Do Christians Love Poverty?" He recently spoke with managing editor Ray Nothstine.*

**R&L:** What is the most common misconception that Christians make today about how effectively to help the poor?

**James Schall:** The most common mistake, and there are others, that Christians make is that poverty is primarily a problem of mal-distribution of existing goods. The mere fact that some have more than others is itself, wrongly, taken to be a sign of injustice. Thus, the solution is simple: All we have to do is take over the excessive goods of some and give them to the others who have need of them. The primary institution assigned to carry out this justifying re-distribution is the modern state. Probably no idea, except perhaps ecology, gives the

state more unrestricted power than such ideas about poverty. In the end, it is claimed, everyone will be equal. No one will have any reason to envy anyone else who, for whatever reason, has more than he does. The end of this mentality, if put into effect, would be quickly to make everyone poor, with little awareness that they could or should be anything else.

*Scripture speaks of the poor and how we are to*

they could not help the poor. I am always astonished at how often people who talk of poverty fail to talk of how wealth, whereby poverty can be lessened or eliminated, is produced and justly distributed in the first place.

In the parable of the talents, Christ seems annoyed at the man who buried his talent and did not increase it by investment like the others. Paul said that the man who does not work, should not eat. Were Paul to say that today, he would be accused of being insensitive. Paul at least showed that he was aware of free-loaders who really did little to earn their keep yet who demanded to be taken care of by others. If everyone is absolutely poor, no one can help anyone, not that the poor sometimes cannot or do not help each other.

Poverty is mainly a comparative thing. The very rich think they are poor compared to the very, very rich. The poor think they are better

off than the very poor. The question of poverty cannot be discussed as if the problem of how to produce wealth did not come up or as if we do not know something about how to produce wealth. Most poverty is caused by the refusal or inability to learn how to produce sufficient wealth so as not to be poor. Not a few modern ideologies, designed to help the poor, in fact imprison them in cus-



Father James Schall at Georgetown University.

*care for 'the least of these.' Do we keep this witness properly balanced today?*

Poverty is not the only or most important topic mentioned in Scripture. Solomon did build a beautiful temple. It was rebuilt when it was first destroyed. Jesus Himself was in the Temple chatting with the Learned of the Law. Jesus' concern with the poor assumed that there were those about who were not poor. Otherwise,

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# The Tipped Scales Against our Youth

By Rodger E. Broomé & Eric James Russell

If you listen to any pop-music outlet today, you may hear a song titled “American Girl” by Bonnie McKee. In the song’s chorus, the line states, “I was raised by a television, every day is a competition.” It is unclear whether that line was written out of a sociological observation, life experiences of the song’s writers, or simply because it is catchy. Regardless, those of us left sitting on the wire observing soci-

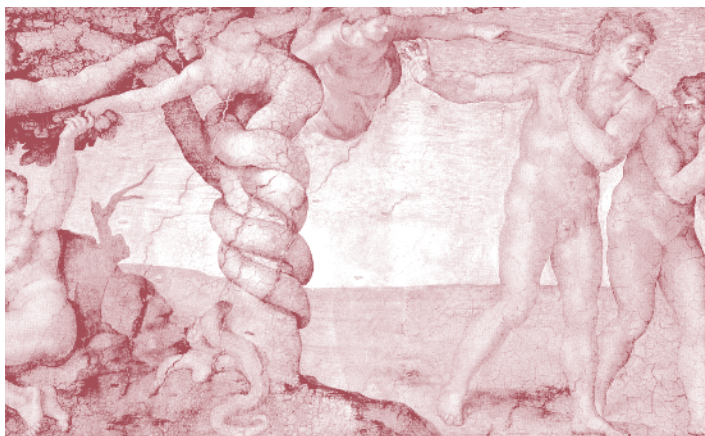
lasting. The egocentric narcissism of some Millennials is not new; it is the appeal to trust in one’s self as God and replace Him with whatever the ego needs to distract itself from the fact that it is fragile, dependent, and created.

From a societal perspective, there is such truth to the line in that song. It touches a deeper issue within society, where some

of today’s youth lack an understanding of life’s finality or the souls’ eternity. The baby-boomers, the hippies of the 60s, grew their hair long and smoked weed. Truth be told, growing up in the 80s and 90s, so did Generation X. The baby-boomer

and in need of comfort and love are wasting, and sometimes even worse, taking their own lives because the dark abyss they are gazing into seems better than the life they are living. According to the Centers for Disease Control and Prevention, suicide is the third leading cause of death among today’s youth. This is entirely from seeing this life and world in its finitude without any regard to eternal possibilities. The societal influences leave so many feeling hopeless and the thought of turning to God is simply not an option. Or they end up idolatrously chasing fads, fashion, or fighting for causes provided by pop-culture which surely passes away like the grass and flowers of the fields (Ps. 103). Heroically, these strategies never overcome our temporal finitude nor can they provide us with eternal life.

There are those in the Millennial generation, full of intellectual potential and caring hearts, diverse and accepting in their circles, making choices that solidifies their present state as their highest achievement because they are being raised not just by television, but the entertainment and social media industry in general. Such rearing is enabling narcissism and a need for instant gratification. Worse, it is causing them to suffer inside because so much of it is in fact meaningless due to it all being rooted in temporal materiality. Morally misguided individuals in the entertainment industry that youth look to are touting people of faith as closed-minded, mentally ill, cruel, prejudiced, bigoted



Sin of Adam and Eve from the Sistine Chapel. Artist: Michelangelo Buonarroti; Wikimedia Commons

ety, are left to ponder whether the line has a deeper meaning than its bubble-gum pop crust. Is it possible that some within this new generation are lost and confused by the glitter and glamour of worldly options? That all of the shiny things in life, all the guarantees of behavioral dogmatics and all of the appeals to emotional prosperity are no match for the embodied gifts of the Body of Christ. Christ brings His people to Himself through the communion of the saints, forgiveness of sins, and ultimately the resurrection of the body unto life ever-

and Gen X’s actions, tame by today’s standards, were far from final. A peace-symbol tattoo on an upper arm or a tie-dye shirt did not change one’s potential; such actions did not solidify life’s finality. However, this type of rebellion is not the case for some in the Millennial generation. A percentage of the Millennial generation, our future, is marking and scarring itself in ways where their potential is being eroded with each stroke of a needle, their fate etched away in stone-like ink on exposed limbs before they reach full mental development. Some that are suffering

racists; for a small minority, this is true. On the other hand, there are some false preachers that equate God and faith with good feelings and prosperity; both grounded in temporal materiality. Christ's Church offers a lived-experience of faith in the sacraments and liturgy that are more than a symbolic exercise for good feelings. Rather, they bring eternity and temporality together into the embodied exercise of redemption and sanctification through His Word.

Jesters and false prophets (Mat. 7:15) have become saints for some in the Millennial generation, tattoos their stained glass windows, piercings their ornaments, social media their gospel readings, phones their churches, and what feels good their god. They are questioning and often rejecting the notion of organized religion. From their vantage point, such rejection is justified. For example, some churches are becoming concerts and mass group "hang out with Jesus" events, rather than reverent worship of the Almighty and Everlasting God.

Consequently, the problem is such rejections and redirections are also leading them to reject God or never know Him at all. The jesters tell them God does not exist, while the self-righteous tell them how much God hates them and still others say God wants them to only feel good and want for nothing. Any good lie uses elements of the truth to make it plausible. Certainly, those who say God does not exist are proposing that from the rules of empirical science. Because God is not demonstrable directly through the senses, His existence and majesty are summarily denied. Those who say God hates them use God's law as a weapon for conformity to their notions of righteousness; not that righteousness that comes through faith. Finally, God does want us to feel good and want for nothing (Ps. 23), but according to His loving and providential hand, not the world's provisions.

We cannot get mad at the young, because this is our fault. We have allowed a small

boisterous collective of the self-righteous to distort our faith and create the "*them and us.*" We have allowed them to gift to the jesters and false teachers the ammunition they needed to drive those in need of God's love away from his healing mercy. We who believe in Christ's truth, love, and forgiveness, we who believe that to be a Christian means standing in communion with *all* peoples, we who believe that we are *all* sinners in need of salvation have failed in our calling to love our neighbors. We who believe that the word of God exists to heal, to comfort, to forgive, and above all else, to save have placed our light under a bushel basket (Mat. 5:15). Often times, we have sat idly

"When the minority of forked-tongued fire-and-brimstone extremists becomes the human face of Christianity, they drive those in need of Christ's love away, convincing them that their sins are greater than God's mercy."

by, allowing His saving words to be used as weapons in a war being waged so that a minority can cling to their belief in the "*them and us.*" We have allowed hatred and suffering to drive the innocent away from the Father. We have allowed people to interpret and define faith, hope and love in terms of temporal commodities rather than eternal potentialities through a relationship with Him sealed by water and the Word.

This battle between epistemological knowledge and gnostic knowledge has been around since the ancient Greeks. Truth transcends epistemology and mystic-knowing but is mysteriously touched by the cognitive and affective. The neo-

materialist has not gone far enough to discover that if life is about neuro-stimulation, neuro-transmission, and biochemical structures, then there really is no "I." On the other hand, the contemporary feel-good crowd reaches internally to that sense that there really is meaning. Nevertheless, because pinning it down into a dogma arrests the inner sense of human freedom, many shy away from ideological certainty and "live in the now"; this is a recipe for regret.

In Genesis, the Serpent said that when we eat of the fruit of the tree, our eyes will be opened to the knowledge of both good and evil. We will have the knowledge and become as gods. It is not enough to be made in the image and likeness of God, but we must actually do something to fashion ourselves as such – idolatry. Every human error of faith begins with a misconstruing of the nature and will of God. Pantheism, modalism, and other forms of thought that fashion God as a being and substance that He is not is the beginning and root of heresy. The will of God is not explicated in the beginning. Even in the Word, the "why" God created is not there. Why He created humans for his company in the garden, is truly a mystery. We turned on Him and through sin created an eternal division between us and our Father. His will today until it is fulfilled is to reconcile us to Himself. That is the only and central will of God is that He brings us to Himself.

Why would so many youth of today want any part of this? So many are inner-connected, they live in a diverse existence, and technology allows them to see behind the curtain. We as Christians represent the Word, our actions are marketing tools, our love and charity our products; we are the billboards advertising the faith. What we say and what we do has a direct impact on others. When the minority of forked-tongued fire-and-brimstone extremists becomes the human face of Christianity, they drive those in need of Christ's love away, convincing them that

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their sins are greater than God's mercy. The zealots feed the argument of the jesters, the two working in unison to build a hollow yet destructive wall between the innocent and God's Grace. When we who proclaim ourselves as Christians, we who love our neighbors and desire to bring all people to Christ's Saving Cross - for it is there where God's Grace is received - allow the extremists and jesters to construct the wall, we are just as guilty.

The eternal redemption of humanity by the unified eternal-corporeal Christ as one person with two-distinct and non-commingled natures that communicate their attributes to one another. Thus, the body of Christ enjoys the use of the divine attributes of eternal limitlessness and God experienced death through the bodily attributes of Christ's humanity. God tasted death while not dying. Man's sins were eternally paid for without limit through the bodily death of Jesus. We as Christians are tasked to protect the innocent, today we are failing in our role. Our failures shine through in the poorly decided choices being made by our youth. Our inaction has empowered the jesters and false teachers. We have allowed manmade issues to drive Christianity and not the Gospel. But our ever-faithful Lord and Savior welcomes even we who have failed our youth, back into His loving Home through faith. We must lead the youth that they may follow.

*Rodger E. Broomé, PhD., is a member of the Hope Lutheran Church in West Jordan, Utah.*

*Eric James Russell, Ed.D., is a member of the Cathedral of the Madeline Catholic Church in Salt Lake City, Utah.*



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

## Psalm 136:1

*Give thanks to the LORD, for he is good. His love endures forever.*

This passage is unique amongst the Psalms because the refrain "His love endures forever" is repeated throughout all 26 verses of the Psalm. As the British evangelist and theologian Charles Spurgeon points out, "We shall have this [refrain] repeated in every verse of this song, but not once too often." No matter what we give to the Lord or offer Him, He always offers so much more.

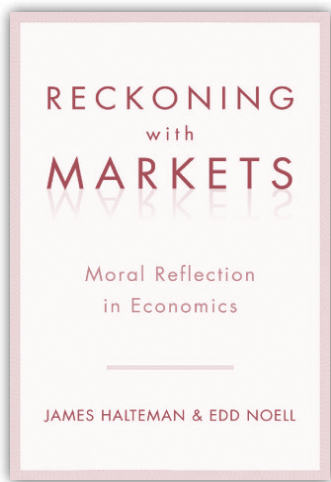
One of the aspects of life that is difficult for many is how often our lives change. But the Lord remains faithful in every aspect of His nature. Christ came to earth to rescue us, He will return for us too. There is a great and grand comfort in the enduring and eternal nature of His presence, sovereignty, and His love.

The Lord is Himself goodness. Humanity has witnessed the abundance of His goodness through our Lord's incarnation as the new Adam and His restoration of the world. It is Christ, offered to us freely, that articulates the profound love of the Triune God. "It is most fitting that by visible things the invisible things of God should be made known," declared Thomas Aquinas.

All of the actions, power, and love of the Lord Jesus Christ on earth reflected the Father and how He feels about us. It is evident in the Parable of the Lost Son, when Christ tells us about how our Father in heaven thinks of us: "So he got up and went to his father. But while he was still a long way off, his father saw him and was filled with compassion for him; he ran to his son, threw his arms around him and kissed him." (Luke 15:20)

The Psalm is a great reminder that despite our own sin, evil, and imperfections, the Lord is good, perfect, and unchanging. It takes the attention off of ourselves and our own pride and puts our attention firmly upon the Lord.

Giving thanks to the Lord for all He has accomplished and being humbled by His goodness is a constant reminder that we were made for a unique and divine purpose. When we compare ourselves to the goodness of God we are awestruck by His love and compassion for us. The author of Psalm 136 saw it fit to repeat the refrain 26 times. So when we are going through pain, hardship, facing death, or even suffering, we can always claim the promise that the love of the Lord endures forever.



# Reckoning with Markets: Moral Reflection in Economics

Review by Timothy J. Barnett

Review of *Reckoning with Markets: The Role of Moral Reflection in Economics* by James Halteman and Edd Noell. (Oxford University Press, 2012) 240 pages; \$31.50.

Sometimes a book has considerable value for readers beyond its primary audience. Such is the case for a slender hardback written by two professors teaching business and economics at two Christian colleges (Wheaton in Illinois and Westmont in California). Not surprisingly, *Reckoning with Markets* seems aimed for Christian college students. Nonetheless, readers need not hail from collegiate environments to gain from moral reflections on economic justice and an exploration of developments in economic thought today.

Chapter one begins with a hypothetical conversation between various thinkers such as Aristotle, Aquinas, Adam Smith, Mill, Marx and Keynes. The dialogue is parceled out in snippets of thought somewhat less than synergistic. Fortunately, the educative value of the book grows as one moves along. Chapter two offers an assortment of moral reflections drawn from biblical literature and the ancient Mediterranean world. Chapter three leads the conversation into the scholastic period, with considerable attention given Thomas Aquinas. Unfocused readers will probably finish the first three chapters without a clear sense of the book's purpose.

Fortunately, chapter four sheds light on the preparatory nature of the preceding work. The authors explain: "In much of

the discussion so far, moral reflection has been related to a sense of telos or the purpose to which human action is directed. Only when there is a goal can there be meaningful discussion about what is right and wrong or good and bad." If the reader returns to the first three chapters with this notion in mind, the rationale of what has gone before becomes evident. How can a society judge the merits of one economic pathway or another until there is a collective understanding about the purposes of life? There must be an organizing schema and a belief system. A sustainable public interest must be identified and agreed upon—democratically or by other legitimate means—before the merits of various acts can be asserted. It is only

"It is only when merit is judged that we have a means by which to evaluate the prudence of economic rewards."

when merit is judged that we have a means by which to evaluate the prudence of economic rewards.

If economic systems must be moral in their operations and effects to possess legitimacy, then ad hoc goals that reflect mere political expediency or eclectic ideology will not suffice as the underlayment

of market design. As Halteman and Noell suggest, societal goals cannot have moral import unless they have consequence and stability. Additionally, *societal goals cannot*



*exist in merely general terms.* It is insufficient in evaluating economic morality to say that utility, happiness and the good life represent the national mission or ethos, as each of these goals potentially incorporates so many conflicting agendas that coordinated societal initiatives are possible only at the cost of sacrificing any real meaning in the goals.

As Halteman and Noell progress, they explain the nature of enlightenment thinking and religion's benefits to the social order. The authors note Adam Smith's lament that "flattery and falsehood too often prevail over merit and abilities." In a tacit defense of free markets, they suggest that market participants have the capacity to become "impartial spectators," thus allow-

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ing external policing to be minimized as the awakened moral conscience causes self-control to dominate unsocial passions. While this is a nice thought, crony capitalism seems to have gained the upper hand in our institutions of power.

Much of the discussion in the second half of the book reflects the authors' concern that today's dominant economic theories are unrealistic about the ways markets aggregate choice. Specifically, the authors contend that rational choice theory does not provide an adequate explanation of human behavior when it assumes the predictability of human perceptions of self-interest. Humans may not move toward self-actualization as rationally or neatly as theory suggests. There are groups of people whose values, beliefs and moral perspectives may move them toward choices that are inconsistent with their short-term self-interest while constructive of society's long-term sustainable good. For

example, individuals who risk death to defend their homeland against unjust aggression may facilitate a greater good that arises out of their truncated self-interest.

In the process of contrasting various economic conceptions, the authors build a case favorable to Friedrich Hayek's thinking; namely, that social norms develop as people solve problems by processes of intuition arising from their moral sense. Morally derived norms provide a context supportive of the enduring good as people respond rationally to price signals. Reflections of this nature put in mind one of

Hayek's closing observations in his 1974 Nobel Prize lecture; namely, if man is to improve the social order, he must refrain from shaping results as a craftsman shapes his handiwork. Instead, mankind must facilitate winsome economic outcomes by *cultivating the appropriate environment in the manner a gardener does for his plants*. The environment that Hayek speaks of may well include the moral context Halteman and Noell have in mind.

It strains the rational imagination to assume that satisfactory market design arises spontaneously in a moral vacuum, analo-

In arguing that economics is not value free, Halteman and Noell lend support to the theory that the Federal Reserve, assertions of neutrality notwithstanding, works to advance some values at a cost to others. If this effect of central banking is inescapable, it demands that the electorate give close attention to the Fed's congressional mandate—the overarching policy instructions given by the people's representatives to Fed governors. Inevitably, these instructions will either support moral financial outcomes or undermine them.

In sum, the Halteman and Noell book tacitly builds a case for moral market design by conceding that purely competitive environments weed out those who do not shrewdly put narrow self-interest first. This acknowledgment enjoins the realization that there can be no lasting market freedoms without laws that constrain incentives to sell out the public interest. In this respect Friedrich Hayek came close



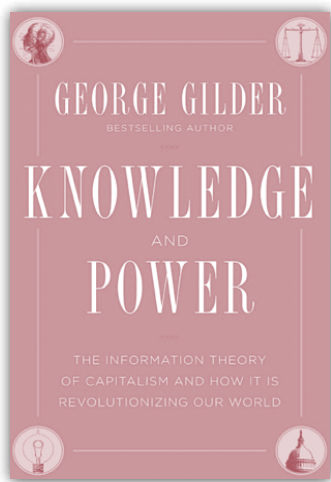
Saint Thomas Aquinas. Artist: Carlo Crivelli; Wikimedia Commons

gous to a big bang theory of the universe's creation, absent divine intelligence and power. Without the existence of a national ethos built on moral considerations—a 'telos or purpose for human action,' as Halteman and Noell suggest—how can market evolution come to any end but an amoral version of self-interest realized in cronyism and concentrated power? Little wonder, then, that Robert Nelson's 2002 book, *Economics as Religion*, was read by many to suggest that economics cannot be neutral and will always generate consequences that broadly overlap the work and vision of applied religion.

to having the last word on 'economic gardening.' Unless we cultivate market designs that reward moral merit in relation to the value of merit's contribution to the enduring public good, we have little hope of outcomes apart from crony capitalism. Current dysfunctions of justice remind us that morality does not spontaneously evolve from competition. Moral reflections must be evident when we reckon with markets.

*Timothy J. Barnett is an associate professor of political science at Jacksonville State University.*





# Knowledge and Power: The Information Theory of Capitalism and How it is Revolutionizing our World

Review by Rev. Johannes L. Jacobse

Review of *Knowledge and Power* by George Gilder (Regnery Publishing, 2013) 400 pages; \$27.95.

We are trained and educated to comprehend the operations of the universe in a materialistic way, where physical and chemical processes are assumed to be the deepest level of knowledge that can be acquired. George Gilder, in his new book *Knowledge and Power*, disputes that. The universe, he writes, is actually a vast information system of unfathomable limits.

Ever since the rise of information theory in the 1940s, it is becoming increasingly clear that the universe is, in a sense, digital. Information, logic, data, whatever you want to call it, lies even deeper than the material operations that science has so ably discovered and quantified. This deeper informational dimension is dynamic and unpredictable. It is also how systems (biological, institutional, economic etc.) change and grow.

Gilder applies the principles of information theory to help us understand how economies grow. Known mostly for *Wealth and Poverty*, a book written over 30 years ago (earning him a reputation as “Ronald Reagan’s most quoted economist”), Gilder lays out what he calls the sum of all his work: Information, not the management of processes, creates economic growth.

Gilder calls this the “information theory of capitalism” and it turns conventional thinking about free markets and statist econom-

ic theories on its head. Most of us think free marketers and statists are from opposite schools when in fact they are “fresh water and salt water” as Gilder calls them.

How so? Both share a vision in common: Markets are mechanical. This leads to an impoverished understanding of the role of the human person in economic expansion albeit to differing degrees. Think of their vision as Newtonian physics applied to economics; an illusion of determinism applied to human actions.

The universe, Gilder argues:

... is not subsiding like a steam engine or any other kind of machine ... It is not constantly subsiding into thermal equilibrium. It is an engine of ideas, an information system, like an economy ... (T)he universe is not statistical. It is a singularity full of detailed and improbable information. It is a “Super Surprise.” ... All the information for a random universe is equally applicable to one full of information and creativity.

Information is the unexpected “surprise” that when incorporated into the system creates growth and surplus value – wealth. The mechanistic assumption of many free marketers and most statists blinds one to the “surprise,” the indication that new information has entered the system that contributes to its growth and expansion. Without new information, systems perish (Xerox and Kodak for ex-

ample). When new information enters the economy, revolutionary growth is possible (Oracle, Qualcomm, Apple, Southwest Airlines for example).

The “surprise” depends exclusively on human agency because creativity comes from people, not from systems. It is indicated by the “I never saw that!” moment that defies all prediction and quantitative analysis because those tools only work in closed systems. If a system is closed, it cannot experience the “surprise,” that infusion of new information that contributes to its survival and growth.

These insights call us back to the deep well of God-given creativity of the human person, who constantly “surprises” by smashing to pieces what we all thought were fixed, enduring systems and solutions.

Information, according to Gilder, is also highly entropic, another concept borrowed from information theory. This means that complex information cannot be easily contained, although in order for the system to benefit it must eventually be brought in through what he calls simpler, low entropy carriers. Systems, in other words, are both high and low entropy, thereby making stasis (the stability that gives rise to the legions of analysts that ostensibly predict future growth) the kiss of death.

The actor or agent of change that causes economic systems to grow is the entrepreneur, because the entrepreneur lives in the domain of “creativity and surprise,”

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Gilder tells us. Creativity is therefore also a high entropy enterprise (the inflow of new information occurs within creative activity) although it requires low entropy systems in order to incorporate the new information into the system. Think of a phone conversation. The creativity occurs in the speaking, but the cables carrying the words (as digital data) have to work reliably in order for the information to be exchanged over any distance.

Gilder hits this hard. There is *no* economic growth apart from the entrepreneur because only the entrepreneur brings the new information into the economy.

The vision of dynamic and creative enterprise also has a moral dimension, Gilder argues. Socialism is reactionary in orientation. It assumes fixed systems and quantifiable outputs, all that we need to know is already known, demand precedes supply. Capitalism is by nature *giving* because the risk it assumes is uncertainty; no real knowledge or assurance exists in a world of “unfathomable complexity that requires constant efforts of initiative, sympathy, discovery, and love.” Socialism is deterministic, capitalism altruistic.

*Knowledge and Power* is a challenging read but easily one of the most creative and penetrating examinations of how wealth is created in a very long time. Its brilliance is framing human creativity outside of materialist conceptions of the human person. It makes the moral dimension of entrepreneurship more visible and thus easier to justify in this age of decreasing confidence in the virtues of business and wealth creation.

Gilder’s book will prove to be a game-changer and maybe even a classic. The ideas are so new yet so compelling that they simply cannot be ignored. Keep a dictionary nearby and use the glossary provided in the back. It will change not only the way you think about economics, but how you see the world.

*Rev. Johannes L. Jacobse is founder of the American Orthodox Institute and pastor of St. Peter Orthodox Church, both located in Naples, Fla.*

# Acton FAQ

## *Why is Acton accepting Bitcoin donations?*

In December of 2013, the Acton Institute started accepting Bitcoin donations. Bitcoin is the first decentralized digital currency that is created and exchanged electronically. While the currency solely exists in an online capacity, it can be transferred or used to purchase non-virtual goods and services. It allows on-line payments to be sent directly from one party to another without going through financial institutions.

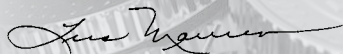
It’s a new, cheaper, and easier way for some to transfer payment in the global economy. Bitcoin can easily be exchanged into currency, which is exactly what we plan to do with our donations. It would be unwise for Acton to use resources to try and speculate about the fluctuating value of Bitcoin in the market so we will immediately convert the donations into dollars. As I write this, one Bitcoin is currently trading at \$605.

A few retailers accept Bitcoin as a form of payment. In 2014, the American retail giant Overstock.com will start accepting payment in Bitcoin. The Foundation for Economic Education (FEE), the Independent Institute, and Students for Liberty also accept Bitcoin donations. FEE accepted a 1,000 Bitcoin gift in 2013. I suspect only more liberty minded organizations will start accepting Bitcoin donations in 2014.

Because of the built-in privacy strength of the currency, Bitcoin’s founders called it “very attractive to the libertarian viewpoint if we can explain it properly.” There is no risk of identity theft through the currency transaction. Weusecoins.com offers an excellent two-minute video on their site that offers an overview of the digital currency and more of its advantages.

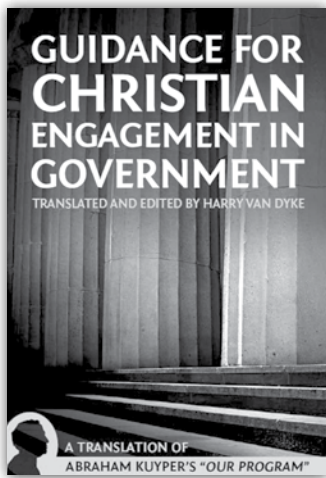
Accepting Bitcoin donations has also garnered positive media attention for the Acton Institute and helped to solidify our reputation that we are willing to be a trend setter and think outside the box in our fundraising. MLive.com, Michigan’s largest media organization, ran a story in December about the Acton Institute’s decision to start accepting Bitcoin.

While it may be a small constituency, some people feel, because of debt and central banks, currency is being increasingly politicized. WordPress, the popular blog software, accepts Bitcoin to support free speech in countries where payment is blocked because of issues they can’t control. We want to be an organization that always encourages free expression and speech too. As we expand opportunities to raise funds and promote a free and virtuous society, we vow to continue to do the very best at being stewards of your hard earned gifts. Since we promote liberty and freedom here at Acton it makes sense to offer increased freedom in the ways that our donors are able to give.



Kris Alan Mauren  
Executive Director





# Decentralization is a Fundamental Principle

By Abraham Kuyper

*This is an excerpt from Guidance for Christian Engagement in Government by Abraham Kuyper. It's the first-ever English translation of Kuyper's Our Program, which was published in 1879. The intention of his work was to inform people participating in the Dutch general elections of 1879. The French Revolution was over, but not the dangerous nature of its collectivist ideas. The influence of modern life and its secularizing influence was growing and reshaping the minds and hearts of Europeans and the rest of the Western world. Kuyper knew it would be a disaster for society if God was completely divorced from politics.*

*In this passage, Kuyper reflects his own idea of "sphere sovereignty." In Kuyper's words, "The sovereignty of the state as the power that protects the individual and that defines the mutual relationships among the visible spheres, rises high above them by its right to command and compel.*

*"It destroys the natural divisions that give a nation vitality, and thus destroys the energy of the individual life-spheres and of the individual persons."*

*But within these spheres ... another authority rules, an authority that descends directly from God apart from the state. This authority the state does not confer but acknowledges."*

## Leaning toward decentralization

There you have the whole difference: "is divided into" and "consists of." "Cutting up into atoms" or "respecting organic bonds" mark the totally different roots of the two mutually exclusive systems.

For if I accept these two ideas: *first*, that the central government supplements the governments of region, municipality, and family instead of the governments of region, municipality, and family supplementing the central government; and *second*, that a country cannot be cut up into arbitrary sectors but instead is composed organically of life-spheres that have their own right of existence and came to be connected with each other through the course of history—then for anyone who thinks for a moment, the matter is settled in favor of decentralization.

Then, surely, to centralize all power in the one central government is to violate the ordinances that God has given for nations and families. It destroys the natural divisions that give a nation vitality, and thus destroys the energy of the individual life-spheres and of the individual persons. Accordingly, it begets a slow process of dissolution that cannot but end in the demoralization of government and people alike.

Despite the sneers about "national pride," "narrow provincialism," "urban smugness," and the much dreaded "mediocrity," and despite all the noise about "love of

humanity," the uplifting power of "cosmopolitanism," the inscrutable mystery of "state unity," and the broad outlook of "men of the world"—despite all that, we shall continue to love the old paths, since they are paths by divine dispensation. With all who are of the antirevolutionary persuasion we shall maintain, over against the fiction of the all-competent, all-inclusive, and all-corrupting state, the independence given by God himself to family and municipality and region as a wellspring of national vitality, according to the ancient law of the land.

## Rules for decentralization

In this sense, then, our Program desires that "regional and local autonomy be restored" by means of decentralization. But this cannot be achieved, I believe, without the application of the following four principles.

- (a) the appointment of chief administrators in municipalities and provinces should be made from nominations;
- (b) whatever transpires and ends within the orbit of a province or a municipality should be dealt with by the provincial or municipal government;
- (c) the division into municipality or province should hold as much as feasible for all branches of government; and
- (d) administrative justice should be given greater independence.

toms or institutions that cannot produce wealth. Some beliefs, such as the voluntarist position that there is no stable order, make it impossible to do what needs to be done to produce wealth by the work of our minds and hands.

*Is there inherently anything virtuous about poverty?*

Socrates, though he seems to have had enough to eat and at least a tunic and a home for his wife and boys, considered himself poor. But he thought of his poverty in terms of its freeing himself from the entanglement of wealth getting. He held that his time was better spent in discussing the higher things. The religious vow of poverty is more in this Socratic tradition. It is not designed to make everyone poor. What it is designed to do is show that complete absorption in the things of this world is not really what will make us happy.

But poverty, especially voluntary poverty, is a tricky business. We cannot go around saying: 'See how poor I am, look at me!' Poverty is poverty. We need not be rich. We can live a full human life with relatively few things. Aristotle rightly said, however, that most people need a sufficient amount of material goods to live a normal and virtuous life. The world was not given to us that we do nothing with it but sit around lamenting how poor we are. It really was given to us in a certain astonishing abundance. But we have to learn what this abundance is and how to develop it. That is why we are here. Poverty is best reduced and eliminated when we are figuring out how to do and develop many things that we need and want, things of beauty and safety and health and everything else. The basic Christian teaching was not that we should make everyone poor, but that even the poor could ultimately save their souls. But in itself, the world was a challenge to make everyone rich through human action and intelligence.

*Do you think an abundance of material goods, especially in the West, has also helped to promote a spiritual poverty?*

It has been the experience of the classic Greeks, Hindus, and Chinese, I think, that an abundance of material goods enabled them to produce great and beautiful things. But it has also led to a system of control whereby rigidity set in. Slavery or its equivalent often had an economic basis, as Aristotle understood. If we had machines to do our work, he thought, we would not need slaves. This is pretty much what has happened.

But one of the things that an abundance of material goods makes us realize, as Aristotle also understood, was that riches



Father James Schall at Thomas More College.

were not happiness as such. At best, riches were aids, but they were not the end. Hence, it became possible to see that a life spent in pursuit of riches, with no further purpose, was an empty life. It was only when riches had a higher purpose that their real worth was seen. Moreover, as I mentioned, the Socratic tradition taught us to examine our lives. If we did so, we would discover that riches were at best helps and at worst temptations. But in themselves, riches were a good thing. There is nothing ignoble in thinking that everyone should live in abundance. It is

interesting in recent years how much poverty has in fact been eliminated in the world. Many nations that were for centuries poor have learned something of how to produce wealth. Much of the talk about poverty today overlooks the fact of this rather amazing progress.

But the notion of spiritual poverty is a tricky one. As I recall, Mother Teresa used that phrase in the sense that many of the richest people in the world were "spiritually" poor. In one sense, only a rich man can really understand the emptiness of wealth if he thinks it is the final definition of his happiness. This was Aristotle's point in the first book of his *Ethics*. There is a reason why we might think wealth is the essence of happiness. After all, we can buy, we think, pleasures or honors with it. But when we have them, we soon discover that these things are themselves only means. So in that sense, riches themselves can lead to a sense of voluntary poverty, to the realization that our true end is not located in how much we own or have. On the other hand, as Aristotle also said, once we understand the proper place of riches, if we have them, we can use them for good and noble purposes. This is what I think was implicit in Scripture but rarely mentioned, namely, that the rich were being taught what to do with their riches so that those who had were directed to the poor not to keep them poor but to assist them in being not poor.

*Many people are poor through no fault of their own, but this is not true of everyone. Do we have a problem with not blaming poverty on the forces that are sometimes the most responsible?*

We do have a problem here. How often do people who talk of helping the poor, in the logic of their complaint, demand that something be done about it. The next thing we find is that they are really demanding governments to do something. Yet, it is precisely governments that are often the most irresponsible agents, the ones that dry up the sources of wealth production. Governments are often the one agency most responsible for poverty



in the name of getting rid of it.

Unions also are widely praised as giving rights to workers, whereas in fact they are partly responsible in their demands in shipping whole industries to other parts of the world. It becomes too costly to produce what others can and will produce more cheaply and in fact better, often. This is a quagmire, I know. In one sense, it is in the interest for the alleviation of poverty that countries that were long stagnant suddenly learn how to work, to do the things that others do too expensively. The high costs of labor in one country mean the possibilities of jobs in another part of the world. It is ironic that the rapid growth of economies in the world is due to the work ethic or intelligence of those in other parts of the world who had been cut off from modern means of production. One of the answers to this issue is to empower the state to prevent such jobs from going elsewhere. When this happens, the ethos of local labor becomes enforced and its high cost is not allowed to be challenged by competition.

I often wonder about the emphasis on consumerism that several popes have made. This consumerism is presumably a vice of demanding ever more goods for their own sake. Pope Francis talks of a “throw away” society. But he also talks of the jobs that the young need. Rarely do popes talk of where such jobs come from. Basically they come from a sound economic theory and from minds. The ultimate riches are not land or resources. They are in the mind. That is the real source of wealth in the world.

We cannot have jobs unless we have people to consume what is produced. Men have to be able, hopefully by their own work, to purchase what they need and want. The obsolescence of things is not a bad thing in itself. The need of a market, of someone to consume, of producing something better, is absolutely necessary if we are going to talk of jobs. To say that we just need jobs without a word about where jobs come from is irresponsible. Moreover, to produce artificial jobs, or jobs that are in effect meaningless, for no purpose, is equally corrupting.

*Catholic Charities, dedicated in large part to the*

*care of the poor, receives a lot of funding from government programs. Is this type of funding ultimately of a positive or negative benefit?*

One of the things Church people have had difficulty in understanding is that the culture itself can contain within it rules, customs, laws, or decrees that approve actions that are in fact contrary to good sense or Christian teaching. To become dependent on government programs is thus not a neutral thing. In the name of what some call the greater good one often finds himself justifying this aid. Benedict in *Deus Caritas Est* put his finger on an important aspect of this problem. What government aid cannot do is to deal with the individual as such. Charity is not a bureaucratic virtue. People need more than aid. The reason Catholics are involved in such issues is primarily beyond politics.

This issue becomes especially difficult as we see the state more and more claim control of all aspects of the society including religious organizations which have anything to do with government monies or purposes. The popes have valiantly striven to show why faith has also a proper place in public. But as the public space becomes more alien to its practices and principles, it becomes clear that the government takes control of what it finances. It has used religious organizations because they are presumably better able to deal with certain issues of poverty or well-being than government bureaucracies.

The state now often realizes that one way to control the Church is through financing its charitable institutions to such a degree that they cannot operate without government funds. Church bureaucrats themselves often seem willing to compromise principle to retain the funding. So, yes, there are definitely positive and negative aspects here. The day seems fast coming in which the government simply takes control of all aspects of life—education, health, leisure, work, and culture, all of this in the name of helping the poor and the citizens.

*What is the biggest hurdle in alleviating poverty today?*

Probably, and paradoxically, the idea that we all should be poor in the name of Christianity, ecology, or limits of growth.

I have asked the question recently—Does Christianity want people to be poor? I think that many religious people, using ecology and exploitation theory, do think this. And if we do want everyone to be poor, the best way to do this is to empower that authority whose normal ways will guarantee widespread poverty, namely the state, which in no way produces wealth itself. There is a certain attractiveness to this view. It is the view of Castro’s Cuba. He has made a potentially prosperous country simply poor and declared them happy. He has successfully blamed all their ills on foreigners. Most Cubans who can get out do so. But those who have to stay must say in public that they are happy and live a superior life to the rich elsewhere.

There is a tendency to want everyone to take a vow of poverty as a solution to our problems. Instead of asking how wealth is produced and distributed justly and effectively, we give up and claim that our purpose is to protect the planet for future generations. This protection means that we cannot use anything much. Best to leave it untouched for someone in 3456 AD. The trouble with this approach is that we have no idea what we can do with this earth. The amazing things that have happened with regard to energy and science in the past hundred years make us suspect that there are ways to make everyone rich that we have no suspicion of. We are afraid to know what we can know. This is why I say that the only basis of wealth is mind.

We need a more Aristotelian approach that recognizes that the establishment of a full and beautiful city is what we ought to be about. But at the same time, we are open to the transcendence that comes to us from revelation as it is addressed to our reason. We know that we possess here no lasting city. We are at a stage, I sometimes suspect, where, in the name of poverty, we will cut off any possibility of everyone becoming not poor. The purpose of Christianity was that we save our souls no matter what sort of civil society we found ourselves in. But that did not take away a possible inner-worldly purpose that would really reach the human perfections of beauty, abundance, and well-being that are implicit in our creation and the relation of our minds to it. ■■■■

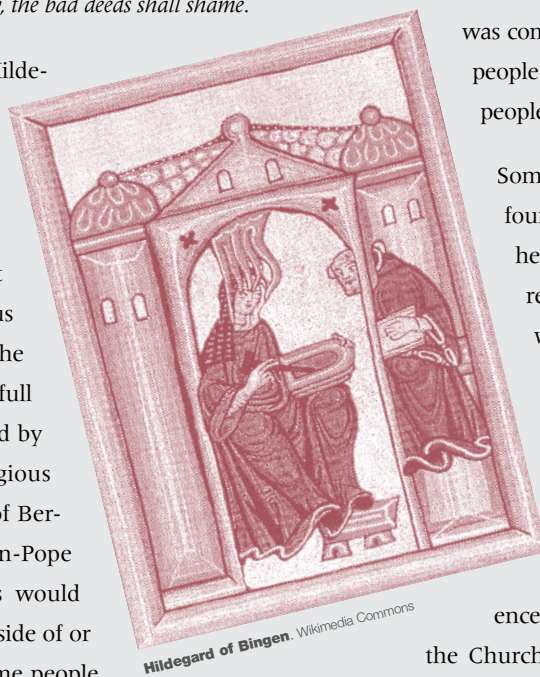
## Hildegard of Bingen [1098 – 1179]

*God has gifted creation with everything that is necessary . . . . Humankind, full of all creative possibilities, is God's work. Humankind is called to co-create . . . . God gave to humankind the talent to create with all the world. Just as the human person shall never end, until into dust they are transformed and resurrected, just so, their works are always visible. The good deeds shall glorify, the bad deeds shall shame.*

"This strange child" is how Hildegard was once described.

Born in 1098, she was known to have visions, but kept them private for many years. Her family sent her at the age of eight for religious education. It was not until the age of 42 that she realized the full extent of her visions, bolstered by her understanding of religious texts. She sought the advice of Bernard of Clairvaux and then-Pope Eugenius so that her visions would never be seen as anything outside of or against Church teaching. "Some people who see visions blow their own horns with them, and pride ruins their lives. Others see visions but understand that their wisdom comes from God. I'm one of these. I'm human, and I know it," declared Hildegard.

Hildegard's work was some of the most prolific and wide-ranging in church history. She wrote music, plays, theology, and natural history. She wrote over 70 sacred songs and *Ordo Virtutum*, an allegorical play about the struggle between good and evil. Her music is still widely performed today. She also left behind massive correspondence. Besides writing to those who sought prayerful and private advice, she took to task men like Emperor Frederick Barbarossa of Germany, the archbishop of Mainz, and King Henry II of England. She was known to approach medical, political, and religious topics that even some men would not openly discuss.



The 12th century was one of schisms and religious turmoil, and Hildegard was openly critical of those who spoke against the Church. However, the practice of burning heretics, popular at this time, was one Hildegard eschewed: "Do not kill them, for they are God's image." She also spoke out vehemently against moral and ethical corruption among the clergy. Hildegard was committed to elevating a moral awakening among lay people and clergy alike. She answered many letters from people who sought her out to improve their prayer life.

Some feminist theologians of the 20th century have found Hildegard to be "feminist-friendly," focusing on her apparent disobedience of a local bishop when relocating her convent. Unfortunately, some of her work and sayings have been hijacked by the modern new age movement. Recent scholarship is primarily interested in depicting her as an oppressed woman of the 12th Century, not a figure of spiritual reformation and sanctification. However, nothing suggests that Hildegard was anything but a true scholar, a student of science, reason, and theology, who sought to work within the Church's tradition of intellectual endeavor. Her primary mission was calling mankind to holiness. "A human being is a vessel that God has built for himself and filled with his inspiration so that his works are perfected in it," she declared.

Hildegard affirmed creation and mankind's role as co-creators who reflect the image of God. Her spiritual visions, education, and high Christology allowed her to proclaim the possibilities of serving God in a variety of ways and this increased her stature and respect among lay persons.

In 2012, Pope Benedict XVI declared Hildegard of Bingen a "Doctor of the Church": a title given to certain saints known for work that leads to new understandings of the Catholic Faith. She is "a true master of theology and a great scholar of the natural sciences and of music," declared Pope Benedict. It is in the realm of faith, reason, and intellect that Hildegard can be regarded a woman of liberty.





## Breaking Bread at Acton University

A rabbi, a school teacher, an economics major and a director of a non-profit sit down for a meal: It sounds like the beginning of a bad joke, but I assure you, it is not. It is lunch at Acton University.

I find it difficult to think of another single event that draws together such a diverse group of individuals from around the world, all focused on one ideal: exploring the intellectual foundations of a free and virtuous society. The Acton Institute sets the benchmark very high for this event, held every year in Grand Rapids, MI, in June, and I am pleased to say that every year, we seem to exceed our own expectations.

Don't mistake this for hubris; it is the very people who attend that make Acton University the heady experience that it is. I could talk about our impressive faculty (whose expertise ranges from economics to human trafficking to theology to community development and on), but those who attend Acton University are really the "heart and soul" of the event.

By no means do I wish to downplay the sessions; substantive issues are engaged, learning takes place and ideas (and ideals) are formed. But there is something about meal time at Acton University...

As I wrote in my book, *Defending the Free Market*, I grew up in Brooklyn "in the middle of a vibrant multi-ethnic experiment." Italian food, Jewish meals, the smell of a kosher pizza parlor: these are the olfactory memories of my childhood. While the meals at Acton University are not the humble ones of my formative years, the fact that we sit down to share this time together is not a small part of the Acton University experience. In fact, some attendees say the meals are their favorite part.

We do our best to serve quality food, but the essence of meal time is almost a sense of *esprit de corps* – a camaraderie of people who, formerly unacquainted, break bread together and become friends.

Scripture, of course, is abundant with images of food and meals. Manna rains down upon the hungry Israelites and Christ breaks bread with his beloved Apostles. The Psalmist proclaims, "You

have set a table before me," and the early Christians gather to share a meal in common. While the feeding of the body is clearly important to God, in scripture it is always metaphor for spiritual food as well.

Meal times during Acton University are a time to catch one's breath, digest not only food but the session one has just attended and connect with other attendees. It is during these times one has a chance to meet a scholar or a student or a school teacher, and share a bit about each other's lives. One gets to ask, "What did you learn this morning?" and more importantly, "How does it apply to what you do?" We gather to share our day, our knowledge, our learning and our lives. Like any good meal, it is more than merely passing the bread and butter; it is a convivial affair, filled with provocative conversation and memorable companions.

Every year at Acton University, I have the privilege of meeting new people. Some of them are Acton interns, who start during the week of Acton University, eager to work and learn. Some are people visiting America for the first time, and have chosen Acton University as the event that draws them to our nation. I meet pastors and teachers, wealthy executives and people working hard to bring economic growth to the developing world. I meet bloggers and mothers, administrators and scholars. I meet Jews and Muslims, Christians of every denomination, people from nations on nearly every continent. And we sit down to enjoy a meal together, three times a day, while we learn.

Before each evening meal, we ask one of the many pastors at Acton University to offer the blessing. We pause to give thanks to God for the food, the hands that prepared it, for our time together and to remember those who go without. The dining room, full of more than 800 people, is hushed as we focus on our attention on God and His goodness.

And then we eat, share, and learn from each other. The inimitable Julia Child, known for bringing the art of French cooking to mainstream America, once said, "A party without cake is really just a meeting." Acton University is more than just a meeting or a conference; it's a party...and we invite you to join us.

*Rev. Sirico is president and co-founder of the Acton Institute.*



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*Samuel Gregg* is research director at the Acton Institute.



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