Economists and environmentalists find it difficult to communicate. In their debates they often simply talk past one another, yet fail to understand the reasons why. Could the answer be that economics and environmentalism are actually two modern secular religions that represent fundamentally different worldviews? Perhaps any mutual discussions must begin at this level—not the specific policy disagreements that are in fact mere reflections of the underlying religious conflicts.

“Economic religion” and “environmental religion” both indeed claim a true and proper understanding of the relationship between human beings and nature, a subject of ancient and still immense religious significance. But they assert a scientific and, as they perceive it, a “value-neutral” status.

In economic religion, the true source of sin in the world is the severe economic deprivation in which most human beings lived for almost all of human history. By eliminating scarcity, modern economic progress hopes to solve not only the material but also the spiritual problems of the human condition. Nature is seen as a “natural resource” to be used in the service of progress. In environmental religion, such progress is regress. Human beings, for their own selfish reasons, are destroying the natural order. Humanity is playing God with the earth—thus tampering with God’s original creation. We will be punished severely for this transgression with environmental calamities of a biblical magnitude; the God of the Old Testament transposed to a new environmental rhetoric.

Beneath the surface of the technical language, economic religion and environmental religion are talking about a Judeo-Christian God; describing the character and thinking of this God; locating the original source of sin in the world; addressing God’s ethical commands; and prophesying a final outcome of history. But most of this is left implicit. For the many people skeptical of institutional Christian religion, but seeking greater religious meaning—a greater sense of the “spiritual” in their lives—a disguised “modern” form of religion is more attractive to them.

The past tensions within Christian theology are now newly mirrored in conflicts between economic and environmental religion. Economic religion encourages the enjoyment of the fruits of the earth. It takes a favorable attitude toward the

*Robert H. Nelson* is a Senior Fellow at the Independent Institute, Professor of Environmental Policy at the University of Maryland, and author of the Independent Institute book, *The New Holy Wars: Economic Religion vs. Environmental Religion in Contemporary America.*

(continued on page 7)
Time will tell what the nascent Tea Partiers’ voice in Congress will mean. But it is noteworthy that those rebelling against Washington have chosen to return to America’s founding principles of liberty in creating a movement against unresponsive government. In so doing, this popular movement has bypassed the left-right divide and includes a diversity of individuals. Despite their differences they are united by their dissatisfaction with runaway government power.

The challenge is to bridge this budding and sometimes conflict ridden, and move toward positive change. Some want entitlements protected, but an end to military pork and protracted wars; others want high defense but to end economic “stimulus”; most, however, seek to rein in government itself. So how can this latest revolt avoid falling victim to the “tyranny of the status quo”?

We believe the answer lies in building popular support for sound, innovative ideas that can roll back Big Government. This is where the Independent Institute’s rich knowledge base demonstrates how a new appreciation for reining in government, the Founders’ ideals are best realized.

**The Principles of Liberty**

**President’s Letter**

David Theroux

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The Independent Review

Origins of “Social Justice” • Violence in the American West

Two superb articles from the Fall 2010 issue of The Independent Review include the following.

The Cultural Origins of “Social Justice”

Justice is among the oldest ideals in Western thought. Although philosophers have long debated its meaning and application, they have usually agreed that justice deals with individual merit or individual actions. The perennial question has been: by what standard should someone’s actions be praised or blamed, rewarded or punished? not: whom should society provide with unearned, undeserved gifts at the expense of others?

Yet recent decades have seen the rise of a new concept—“social justice”—that denies a necessary connection between what one does and what one is due. Theories of “social justice” hold that someone may be entitled to income, opportunities, or power—and others may be compelled to provide those amenities—because some people have much more of them than others.

“The most troubling assumption in both the perspective and the theory of social justice involves power,” writes Tulane University sociology professor Carl L. Bankston III. A redistribution of power intended to promote “social justice” would require ceaseless efforts to radically restructure society, Bankston argues. “This goal is implicitly totalitarian, although it certainly does not necessarily lead to totalitarianism because of the many real-world barriers to translating moral goals into political action, he concludes.”


Violence in the American West

Contrary to popular perception, the Old West was much more peaceful than American cities are today. Land clubs and wagon trains adopted constitutions that defined and protected property rights. Mining camps and cattlemen’s associations also developed methods to enforce property rights. Movies and popular fiction about the era often depict widespread lawlessness, but they contradict historical research.

The real culture of violence on the frontier during the latter half of the nineteenth century sprang from the U.S. government’s policies toward the Plains Indians, according to economist Thomas J. DiLorenzo (Loyola University of Maryland).

Before the U.S. Civil War, the whites’ main method of acquiring land from American Indians was through negotiation. After the war, political pressures mounted to complete the first transcontinental railroad quickly and cheaply. What General William Tecumseh Sherman called the “final solution” to the Indian problem enabled white settlers and railroad corporations to shift costs for completing the Union Pacific onto the Plains Indians and American taxpayers at large.

From 1862 to 1890, the U.S. government killed perhaps as many as 45,000 Native Americans. Had certain politicians not held power, and had the Civil War not replaced the militia with a standing army, the carnage might have been avoided.

The INDEPENDENT

Center on Global Prosperity
“Faced with voter anger at the failure of monetary and fiscal stimulus to stimulate, the Obama administration and the Federal Reserve are doubling down . . . $7 trillion will have to be provided by someone fairly soon. Will it be the foreigners who already own half of the U.S. debt? At what point do they realize that the U.S. government can actually go broke?” —Senior Fellow Alvaro Vargas Llosa, Real Clear Politics

Center on Peace and Liberty
“I imagine if there were 50,000 armed foreign soldiers in the United States. It’s not likely the American public would take kindly to such an occupation. So why should we assume the Iraqis will? The truth is that occupation is occupation—it doesn’t matter if it’s 50,000 troops or 150,000 troops” —Senior Fellow Charles Peña, The Press of Atlantic City

“Labeling [nation building] as such would discredit such interventions . . . They are simply doing it and using a different name.” —Senior Fellow Ivan Eland talks “nation-building” in Afghanistan, Politifact

Center on Entrepreneurial Innovation
“If politicians truly wish to promote genuine, sustainable recovery and long-term economic growth, they should focus on actions that will contribute to a revival of private investment, not on pumping up consumption . . . What entrepreneurs, investors and executives await is policy stability and predictability, not more government spending, borrowing, sweeping new regulations, and heightened uncertainty.”—Senior Fellow Robert Higgs, The Miami Herald

“Congress just recently increased the debt limit to nearly $14.3 trillion, equal to approximate-ly 100% of the U.S. gross domestic product (GDP). During the first six months of the current fiscal year . . . interest on the debt cost taxpayers some $202 billion. . . . The real trouble, however, is that budget deficits are not an isolated ailment. Deficit spending is a symptom of a much larger structural problem of the machinery of politics. The nature of the political process is myopic spending on the behalf of special interests at the expense of the public.” —Research Fellow and Director of the Center on Entrepreneurial Innovation Emily C. Skarbek, Human Events

Center on Culture and Civil Society
“Sadly, President Barack Obama’s racial fixation has become disturbing in recent months. By pandering to racial pride and grievance he is betraying the liberal tradition that enabled him to become president—a tradition represented by Frederick Douglass . . . and others who spoke out against racial injustice and defining individuals by their color. . . . A race-obsessed Mr. Hyde appears to be living within Obama’s Dr. Jekyll at 1600 Pennsylvania Ave. The president needs to be rid of him.” —Research Fellow Jonathan Bean, The Cleveland Plain Dealer

Research Fellow Benjamin Powell discusses ending U.S. farm subsidies on CNBC’s “Street Signs.”
New Book

New Book Offers to Fix a Broken U.S. Legal System

The U.S. legal system is plagued by problems that undermine justice and waste billions of taxpayer dollars. Wrongful convictions, overpriced legal services, and politicized judicial rulings are but a few of the reasons that polls show public confidence in the system is low.

Those problems raise a host of questions: Why does the current system of fingerprint testing in the United States result in nearly 5,000 wrongful felony convictions each year? Which regulations of legal services harm consumers the most? Why are elected judges more likely to lock up a defendant, whereas appointed judges tend to pass longer sentences? And most important, how should the system be fixed?

*The Pursuit of Justice: Law and Economics of Legal Institutions*, edited by Edward L. López (co-published by the Independent Institute and Palgrave Macmillan) answers these questions and more by revealing the faulty incentives that misguide the U.S. legal system.

The book analyzes the incentives and constraints facing many different parties in the legal system—judges, lawyers, regulators, district attorneys, plaintiff attorneys, juries, and so on. On that basis, it proposes reforms in fingerprint testing, criminal sentencing, lawyer licensing, judicial selection, eminent domain, class-action lawsuits, and other areas.

*The Pursuit of Justice* derives its power from the analytical toolkit developed by public choice theory—traditionally the economic study of politics—and utilized by a new generation of scholars who see its potential for illuminating the injustices and inefficiencies of the U.S. legal system.

“That is why reading *The Pursuit of Justice* is

Policy Forum: Airing on C-SPAN

Scholars Shed Light on Enviro-Econ Wars

The debate raging over climate change policy illustrates the clash of two competing worldviews, what author Robert H. Nelson calls in the acclaimed Independent Institute book, *The New Holy Wars*, the “secular religions” of environmentalism and economics. One side has environmentalists warning of certain catastrophe unless drastic steps are taken immediately to curb greenhouse gas emissions. On the other side, mainstream economists are urging caution and putting forth proposals they hope will ensure that the costs of mitigating global warming do not exceed the estimated benefits.

On October 7, the Independent Institute hosted a public forum on this clash, “Economic Religion vs. Environmental Religion in America,” featuring Robert Nelson, Steven Hayward, and Max Stackhouse, at its center in Washington, D.C.

Nelson (Senior Fellow, The Independent Institute) began by noting that economists and environmentalists often cringe when they hear him call their beliefs religions. They shouldn’t because, said Nelson, “everybody has a religion.” Moreover, the religion hypothesis explains, for example, why environmentalists feel guilty if they have not recycled and why many economists believe economic progress can save the world: both stem from unexamined articles of faith.

The evening’s second speaker, Steven Hayward (Weyerhaeuser Fellow, American Enterprise Institute) noted the failure of the Kyoto Treaty and the importance of a market-based approach to climate change policy.

Robert Nelson, Steven Hayward, and Max Stackhouse address the Independent Policy Forum on October 7.
Templeton Fellowship Winners Announced

The Independent Institute is pleased to announce the winners of the 2010 Sir John M. Templeton Fellowships Essay Contest.

The inspiration for this year’s contest came from 19th century French economist Frederic Bastiat, who once said: “Everyone wants to live at the expense of the state. They forget the state wants to live at the expense of everyone.” The essay contestants were required to address the following question: Assuming Bastiat is correct, what ideas or reforms could be developed that would make people better aware that government wants to live at their expense?

In the junior faculty division, Evgeniy Gentchev (Northwood University) was awarded first prize ($10,000) for his essay, “Making the Case: Effectively Advocating an Old Idea in Modern Times.” In the college student division, Chen Sheng (Wesleyan College) was awarded first prize ($2,500) for “Grassroots Associations, Popular Literature, Future Interests, and Limited Government”; Mats Ekman (Stockholm University) was awarded second prize ($1,500) for “Some Economics of Advocacy and Government Competition”; and third prize ($1,000) was awarded to both Alicia Constant (Patrick Henry College) for “A Matter of Incentives: Public Choice and the Great Fiction” and George Hawley (University of Houston) for “Leviathan’s Greatest Deception: Exposing the False Promise of Life ‘at the Expense of the State’.”

Entries were received from 35 countries on five continents, including Angola Austria, Belgium, Brazil, Canada, China, Czech Republic, Dominican Republic, Ecuador, Egypt, Ethiopia, France, Germany, Ghana, India, Macedonia, Mexico, Nigeria, Pakistan, Philippines, Poland, Rwanda, South Africa, South Korea, Spain, Sri Lanka, Thailand, Tunisia, Uganda, United Kingdom, United States, and Zaire.

The Independent Institute gratefully acknowledges the generosity of the John Templeton Foundation, for funding the contest, and thanks contest judges Jonathan Bean (Southern Illinois University), Benjamin Powell (Suffolk University), and Aeon Skoble (Bridgewater State University) for their hard work. For winning essays see www.independent.org/students/essay.

Lessons from the Poor Wins Templeton Freedom Award

The Atlas Economic Research Foundation has honored The Independent Institute for its publication of Lessons from the Poor: Triumph of the Entrepreneurial Spirit, edited by Senior Fellow Alvaro Vargas Llosa (2008), with the 2010 Templeton Freedom Award for “Free Market Solutions to Poverty.”

“All of the stories that make up Lessons from the Poor: Triumph of the Entrepreneurial Spirit were extensively researched on location by the various authors . . . and together, provide a tantalizing account of the potential and the achievements of poor people in Peru, Argentina, Nigeria, and Kenya—and of the way in which countries that were once deemed poor and hopeless, such as Spain, Vietnam, and Estonia—have seen their economic fortunes turn despite persistent problems,” notes Vargas Llosa, Senior Fellow of the Center on Global Prosperity at the Independent Institute.

The Templeton Freedom Award, named for the late investor and philanthropist Sir John Templeton, was established in 2003 and is now the largest international prize program that celebrates organizational contributions to the understanding of liberty.

A panel of expert judges selected the Independent Institute to join sixteen other recipients from ten different countries, representing three continents, each distinguished for outstanding accomplishments in the advancement of freedom.

(continued from page 1)

pursuit of riches. A new priesthood of economic professionals, separate from the laity, holds in its hands the expert knowledge to save the world. Environmentalism, on the other hand, preaches a new skepticism with respect to the real benefits of modern economic progress and a new asceticism of human lifestyles. More economic growth is a greater temptation to sin. Environmental religion sees personal encounters with wild nature as the path to a greater connection to God, implicitly borrowing heavily from creationist messages.

Many people in the twentieth century thought that religion was in decline and might disappear entirely. This proved to be false by the end of the century. In order to understand our public controversies, much greater appreciation and study of the role of religion in public life will be necessary, including economic religion and environmental religion, the two leading secular faiths in the public square.

New Book: Fixing a Broken U.S. Legal System
(continued from page 5)

such a refreshing intellectual experience,” writes Robert D. Tollison, a noted, public choice economist, in his foreword to the book.

Although the U.S. legal system is rife with serious flaws, the insights and solutions offered in The Pursuit of Justice bring us one step closer to creating a justice system truly worthy of the name.

Praise for The Pursuit of Justice

“Everyone interested in law and economics should read The Pursuit of Justice.”
—Tyler Cowen, Holbert C. Harris Chair of Economics, George Mason University

“The American legal system has many flaws . . . this book will contribute both to understanding the source of these flaws and then to fixing them.
—Paul H. Rubin, Samuel Candler Dobbs Professor of Economics and Law, Emory University

Policy Forum: Scholars Shed Light on Enviro-Econ Wars
(continued from page 5)

Institute) suggested that the feud has cooled in recent years. One environmental activist at the Rio Summit in 1992, he noted, said that come the eco-revolution, economists would be rounded up and sent to re-education camps.

“My observation is that very few mainstream environmentalists, or whatever term you want to use, would say that kind of thing today,” said Hayward. “They more openly embrace, especially in the climate issue, the importance of economics and thinking through policy choices—although I often find their grasp of economics at about the kindergarten level, but that’s a story for another day.”

Speaking last, Max Stackhouse (Professor Emeritus, Princeton Theological Seminary) lauded Nelson for his identification of environmentalism and economics as secular religions and his expose of their origins and development.

“Secular religions are in fact dependent on major motifs of the Judeo-Christian traditions,” said Stackhouse. “They all involve the notion of Creation, the fall into sinfulness, a prospect for redemption or salvation. And they all view their own movement as a company of those who are going to be the agents for redemption.”

Stackhouse said that although Nelson’s book, The New Holy Wars, (2010 Eric Hoffer Grand Prize winner for Best Book), left many questions unanswered, it nevertheless merits high praise. “This is a magnificent contribution to all of our thinking,” he concluded.

For video, audio and a written transcript of this event, go to www.independent.org/events/past_events.asp.
Putting Your Investments to the Best Use

As Congress continues to play politics with your taxes and dithers extending tax cuts, you must be proactive in protecting your assets. One of the best ways to lighten your tax burden and invest in better prospects ahead is through a tax-deductible donation to the non-profit organization the Independent Institute!

The Independent Institute continues to make great strides protecting and promoting liberty. Whether through our respected journal, The Independent Review, our celebrated books and other publications, a growing social networking presence, or our widespread media coverage, we continue to educate and empower people on free-market ideals and innovative alternatives to government activism, regardless of partisan influence. It is this principled approach and consistent high caliber of work that has kept the Independent Institute on the forefront of the liberty movement for nearly 25 years! Of course, none of this is possible without the support of those also committed to individual liberty and free-market entrepreneurial opportunity, such as yourself. Please consider again joining with the Independent Institute and taking advantage of this year-end to make a generous tax-deductible donation.

While the government squanders your money and announces a $1.3 trillion deficit, you can rest assured that the Independent Institute efficiently and effectively utilizes your tax-deductible donations to produce principled and award-winning studies, making innovative market-based solutions influential on the most critical social and economic crises facing us today.

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