

THE DECENT COMPROMISE

The contrast is great between the financial condition, outlook and practice of the papacy during the last years of Pius IX and the reigns of all the popes until the outbreak of World War I. The outlook and practice of the Holy See was one of temporizing. No pope and no Curial official ever acquiesced in the loss of the papal State, although no one seemed to have a practical solution to this calamity. At the moment that the State had been wrested from the grasp of the papacy, its sociopolitical structure was a modified feudalism, and that determined its financial condition, outlook, and practice.

But the Europe of which that State had been a part was in the middle of a fully developing classical capitalism. Africa and Asia had been carved out into spheres of influence for the European empires—British, French, Spanish, Portuguese, Belgian, German, Dutch, and, a little later than the others, Italian.

The capitalism of these European empires and the other countries associated with them was built on the principles of free trade, home industrialization, balanced budgets, private ownership of resources and assets, the gold standard (which provided a needed two-way market for gold in the currencies of countries engaged in import-export relations), a minimum of government intervention in the individual's efforts—either to limit those efforts or to supplement their wants. The fundamental element of that capitalism, however, was ownership of resources and, more particularly, of the means of production. In fact, this was a sacred tenet of that capitalism. It had come from the old Catholic ethical teaching about *jus proprium*¹

that English philosopher John Locke had translated into "the right of a man to the labor of his body and the work of his hands." Material things became a man's property when he "mixed his labor with it."

Those empires of Europe and their capitalism dominated all international trade. Europe, with Britain in the lead, became the banker for the world—including the papacy.²

The papacy never took part in that flowering of capitalism, yet it benefited from capitalism's successes because of the contributions that flowed into its treasury from countries where capitalism flourished. It was able to entrust its savings for investment in capitalism's enterprises by European and American banks. But it was never an active member of the international commercial and financial markets.

Doubtless the reputation the Catholic Church had for a long time into the twentieth century as a reliable supporter of capitalism and the status quo of privileged social classes was due as much to its own long semifeudal tradition in the papal State as to its dependence on capitalism's achievements for its economic life-blood. Yet, the other side of this coin was that only a pope, Leo XIII, could issue a solemn warning to the capitalist states of his day, telling them that workers had rights that could not be violated with impunity. Lenin, the leader of the Soviet Revolution of 1917, was to steal phrases from that well-known encyclical letter of Leo's, *Rerum novarum* (1891), in which the pope clearly indicated the basic shift in world economy and societal classes.

In the second third of the nineteenth century, the papal State was passing through a period of stagnation. Once that State was lost, the papacy no longer had the physical means of participating in capitalism's high success. In any case, the ethical principles governing the papacy's economic policy had not evolved sufficiently to allow it to participate even if it had retained the papal State through the nineteenth and into the twentieth century. But it did lose its territory, and from 1870 onward the papacy was to coast along on the periphery of European capitalism but never be a working part of it, until once again at the end of World War II and under the impetus of its money-managers it attempted to regain a position of power. Dictator Mussolini and Pope Pius XI arrived at the "Decent Compromise" of 1929. The era of the managers began. The disasters and calamities of the sixties and seventies followed.

PART FIVE
RESTRUCTURING

CONCLUSIONS AS GUIDELINES

With this history in mind, and in view of the twentieth-century scandals, there do seem to be good reasons why in the early eighties some began talking about the need to restructure Vatican financial agencies, and still others went as far as proposing total divestiture of all Vatican funds, maintaining that the Church should not have as one of its major instruments a portfolio and a banking status that would do credit to a multinational conglomerate equaling or even excelling Exxon, Mobil, and ITT.

Total divestiture is not a practicable matter today given the shifting sands of modern civilization and the caliber of Catholic prelacy. Total divestiture would only work under a great leader capable of lifting the weak and the corrupt, as well as the good and the saintly, onto paths of shining light that would dazzle all humanity by its purity as it met the profound expectations of the world. Christ has not blessed his beloved Church with such prelates.

The only alternative is a restructuring of the Church's system of financial administration to meet its present transitory exigencies.

Several significant conclusions follow immediately from the historical overview of papal financial history; and these are reinforced by an examination of the most recent forms into which the various financial agencies of the Church have been cast.

Fullness of Power

The basic idea giving shape and character to past and present financial structures of Vatican and Church is one born explicitly from

that centuries-old effort, the Great Experiment. This, in essence, was an attempt to achieve sole, full, and continuous exercise of what was technically known as the fullness of power. *Plenitudo potestatis*. Fullest power. This fullness of power meant the pope was given absolute and undisputed moral authority, religious jurisdiction, and spiritual preeminence. It also implied the pope should have the undisputed right to judge the morality and religious value of any human action in any sphere of human activity, and possess coercive power to enforce that right. Authority, jurisdiction, preeminence, and judicial right imply here an obligation on the part of all concerned to listen and to follow the decisions made by the pope.

It is irrelevant that time and bitter experience have shown the present configuration of nations in the world community in no way permits any Catholic pontiff to exercise such a fullness of power. And this not because the nations reject the idea of either moral authority or, for that matter, the proposal of a predominant temporal power endowed with supreme authority, jurisdiction, judicial right, and coercive ability: The nations simply cannot agree who should be so endowed.

Moral authority today, according to international practice, belongs to whoever garners the most votes. The underlying morality is certainly not Christian. But it does claim to be a morality, an ethic of the nations. Physical power and coercive power are never granted freely to anyone by the nations. "Nobody gives you power," Soviet Foreign Minister Andrei Gromyko once said. "Power is something you take." Coercion at present is distributed rather equally among the two superpowers and their allies. Hence the stalemate of the United Nations.

What is relevant to our context is the coercive mechanism adopted by the Church and papacy in past history in order to enforce the acceptance of papal fullness of power.

Doubtless, part of that mechanism was composed of spiritual and ecclesiastical measures: doctrines about holiness and sinfulness, excommunication, censure, interdict, penances, and the like. But another and much used part of the coercive mechanism derived from temporal power: physical force, social ostracism, political domination, and financial weight. The sword or baptism: At times, whole populations were given this stark choice.

Sometimes, the papacy itself was strong enough to wield this physical mechanism of coercion. Most often, it depended on a secular right arm to do the job. The moral coercion of the papacy

and Church on the secular power to do its bidding was so strong, so direct, so explicit, that ultimate responsibility for that coercive exercise by the secular arm must rest on that Church and papacy.

In this way, there arose the idea of the temporal sovereignty of the pope and, with it, the consequence that the papacy should necessarily enjoy economic independence and preponderance. Financial resources are at the very heart of that independence and preponderance.

It can be—perhaps should be—conceded that once upon a time there were solid reasons in the logic of history for adopting the proposal of papal temporal power. History would judge popes and papacy deficient if they had not stepped in and filled the dangerous void left by the fall of the Roman Empire. Billions of human beings were the beneficiaries of the ensuing Great Experiment, and western civilization was made uniquely possible by it.

But it is not overstepping the lessons of history to assert that the proposal of papal temporal power in its classical sense is, by now, a tainted one. So, also, must the economic independence and preponderance issuing in vast financial resources be judged and considered a tainted idea, for that was historically part and parcel of the now discredited papal temporal power.

Utopias

The other extreme is also unacceptable. To demand absolute poverty of the Church is misguided because it is totally impracticable for the Catholic Church as a whole or the papacy in particular. For the Church as an organization to undertake the practice of what has been called “evangelical poverty” or “Christlike poverty” or any such ideal would mean the end of the hierarchical Church. The latent but vicious heresy beneath the outcries of many who have preached such doctrine is double: They implicitly deny the need for an organized Church in their proposals; and they fall into the very ancient error of Manichaeism, the doctrine that saw material things—money, comfort, and plenty—as inherently evil.

One of the greatest men to write about this problem of the Church and its wealth was Dante. In *De Monarchia*, Dante proclaimed that political power was not derived from the pope or any other single man. It belonged, he said, to the people. And, through the people, it came to the ruler. God himself made the people the channel of political power which, in any case, was God’s gift to the people.

As a Florentine, Dante naturally feared that the Rome-based papacy and the Church would usurp the power of the people. Resolutely opposed to the temporal power of the papacy, he could not separate religion from the reality of daily living, individual and societal. He did not want popes governing the daily life of Florentine citizens or indeed the citizens of any place.

Dante's visionary dream of universal peace and harmony is a dream all Christian believers share. His vision shimmers as their unconsciously entertained but truly desired goal. For many people in our day, just as for many in his far-off fourteenth century, Dante's idea exercises a strangely wistful attraction as the ultimate stage in the onward progress of the world community of men and women. The golden age of a universal republic. All the nations like so many closely knit families enjoying harmony and unthreatened peace. Politically, the reign of an all-ruling, all-just, utterly non-partisan management tied to no one country, colored by no one nationalism. Morally and religiously, a universal acceptance of a loving father, head of the Church, elected by the free votes of all. Dante's vision was of such a utopia.

For, in the final analysis, it was the people of the earth that mattered in the poet's mind. The earthly life and destiny of that people was in itself a revelation of divinity for Dante; and its rights were as sacred as those of Christ's Church. He has painted in words a ravishing picture of that humanity as a golden bird floating ecstatically in the air above the flowered meadows of paradise. Never before and certainly never afterward was humanity's fate so apotheosized.

In comparison with the lambent gentleness and godly peace of that vision, the pithy dreams of the early American settlers—the Beulah Land, the Beacon on a High Hill—seem but harsh symphonies celebrating fanatic sectarianism. And the attempted lyricism of Marxists who hail the glories awaiting humanity in “the stateless paradise of the workers” sounds like a song in honor of a dry skeleton. The fanatic bibliolatry of the Puritan and the specialized hate of the Marxist—both are sadly lacking in the all-precious element that Dante enshrined at the center of his vision.

The Florentine knew what Pope John XXIII in the twentieth century knew: Human beings can never be made peaceful and virtuous, individually or collectively, by the use of power, but only through the experience of love. The heretics and rebels twisted with pain in the dungeons of the fourteenth-century Inquisition held

onto that love as their only hope. The old Catholics on their way to be hanged, drawn, and quartered at Tyburn by that most bloody of English sovereigns, Elizabeth I, as well as the hundreds of others tortured on the rack of Protestant England's Star Chamber or peering through the flames and smoke of their faggot-pyres throughout England and Germany could recognize Dante's ideal of civic love and political comity as their own. In the end, Dante—with his flaming hope that love was stronger than hate and could make all things new—was the father of them all.

In critiquing the various theories about the temporal stance and condition of the papacy, it is a rule that the ideal presented must be attainable without the destruction of Catholicism in its essence. Therefore, those who propose extreme and complete poverty for the Catholic Church are issuing a bland invitation to commit suicide.

One is forced to conclude that the attainable ideal in this whole matter was not presented either by the traditional Roman formula—the pope as temporal ruler endowed with the fullness of power—or by the proposal of absolute poverty and renunciation of any economic independence. Dante's vision remains just that—a vision of utopia.

The Compromise

The ideal that fashioned the compromise of 1929 and gave birth to the State of Vatican City as we know it today would seem at first to be quite attainable and a practical solution that could endure for a long time, satisfying the basic exigencies of the papacy. The pope now has his own independent territory, and its integrity as well as his access to the outer world are guaranteed by national treaty and international concordats.

Even during the 1940s when two major armies and half a dozen armed groups were fighting for supremacy in and around the State of Vatican City, its neutrality and integrity remained intact. What violations there were served only to emphasize the inviolability of the pope's tiny State. Only the Allies dropped bombs on Rome—and they apologized later. Their actions, for which they have never been called to account, constituted a gross betrayal of their pledge to Pope Pius XII and merely served the needs of an arrogant victor bent on the viciousness of psychological warfare. President Roosevelt and Prime Minister Churchill both "cleared" that betrayal, and they were the guilty ones.

In sum, no one can accuse the ruler of the minuscule Vatican State of being a territory-grabber or the autocratic ruler of a population chafing for democratic liberties. As with many other historical compromises which originally were accepted as temporary solutions, this compromise has produced what many see as a permanent condition. For very few people today can even imagine the circumstances under which the pope would be obliged, or would voluntarily decide, to renounce the territorial independence of the State of Vatican City.

There is, however, one set of conditions under which the State might be voluntarily liquidated; but, at present, such conditions belong to a far distant future. A consideration of those conditions concerns the deepest ecclesiastical question that the Catholic Church has yet to confront realistically: the unity of all those baptized within the spiritual and institutional embrace of Catholicism.

The Church claims to be the one and only Catholic Church, to have no sister church and no branches but heretical and schismatic portions (Anglicans, Greek and Russian Orthodox) and splintering offshoots (mainline and fundamentalist Protestant churches). Probably, the blame for those fractures is to be equally distributed between Catholic and (now) non-Catholic Christians of some hundreds of years ago.

The element that most repels the most desirable breakaway portions (Greek and Russian Orthodox) is what these "Eastern Christians" call "the imperialism of the Roman bishop." To the Orthodox mind, one prime factor in that "imperialism" is the temporal sovereignty of the pope (as much as his claims to ecclesiastical primacy and doctrinal infallibility). And this, although there is hardly an aware churchman in the Greek and Russian Orthodox churches who does not now wish that both Greek Patriarch Demetrios and Russian Patriarch Pimen enjoyed the territorial integrity of that same "Roman bishop," the pope. Yet they object to the pope's "imperialism" and "temporal stance" as unworthy of an apostle of Christ. In the course of interchurch relationships, and seeking of some formula to unite the whole of Eastern Orthodoxy once more with the ancient mother church of the Bishop of Rome, it is possible that the first casualty would be the Vatican State.

The present pope and, it is hoped, his Curia no longer look—if they ever did seriously—at the splinter Protestant churches as dearly beloved and desirable, if erring, children. But the Catholic Church is actively seeking unity with Orthodoxy. If it ever came to the point

that prejudices could be abandoned on both sides, Catholic and Orthodox, then the idea of the pope's temporal stance and appearance would necessarily change in order to accommodate the final steps to that all-desirable unity.

But no competent observer of Eastern Orthodoxy, Greek or Russian, predicts at the present moment any serious move toward unity. Russian Orthodoxy is immersed in the vital ideology and sociopolitical system of the Soviet Union. Only if that system disappeared could Russian Orthodoxy be free even to contemplate an approach to unity. The end of the Soviet system will surely coincide with a totally new era in human history; for, if Soviet Marxism and its Gulag empire disappear, surely the democratic West will also disappear.

Greek Orthodoxy, centered around the Patriarch of Constantinople, is today utterly opposed to unity with the Catholic Church. Anti-Roman sentiment among Greek and Russian Orthodox Christians is as basic a prejudice as hatred of the Turks. Orthodox never forget that for hundreds of years popes and their churchmen preferred to see Ottoman Sultans, not Byzantine Greeks, in power at Constantinople. The Orthodox always responded by declaring their preference to see the "Turkish fez rather than the Roman tiara in the Basilica of Hagia Sophia [Constantinople]." Long before any genuine move toward unity between the Catholic Church and Orthodoxy takes place, the socioeconomic face of the world both churches inhabit will have changed.

The Catholic Vision

The realization in objective reality of the Catholic vision about the temporal condition of the Church would rest on two accomplished facts: the universal recognition of the Catholic Church as the sole repository of a salvation all men and women desired to obtain, and the Church's total divestiture of every trace of temporal power, financial sinews, and sociopolitical claims. Both of these would go together.

Universal recognition would mean that the material needs of papacy and Church would willingly be borne by all members of human society. It would mean, in other words, that papacy and Church could forego any effort in the temporal sphere to secure their material needs. Total divestiture would mean that Church and papacy were no longer primarily preoccupied with physical survival,

that this was assured by another source, and that the full splendor of their spirit and the full riches of their supernatural treasure could be poured out to all human society.

Clearly, both universal recognition and total divestiture belong to a millennium that has been promised by God in the Book of Revelation; and, like the wondrous Child the prophet Isaiah predicted would be born of the Virgin, the best—the only—sign that a millennial ideal has been realized is the appearance of the ideal itself in reality.

Total divestiture, therefore, by papacy and Church of all wealth, of all claim to wealth, of all endeavor to develop wealth, must be placed on that millennial plane.

The lessons of history would seem to confirm that conclusion. On the one hand, none of the 267 popes has ever proposed divestiture. When divestiture, total or partial, has happened, it has come about always in the form of “the Vandal Solution”—a phrase historians attribute to that extraordinary personage, Frederick Barbarossa, German emperor from 1152 to 1190.

When the Germanic tribe called the Vandals streamed down south over the already Christianized Roman Empire in the fifth century, they destroyed literally everything they could not carry away on their horses and their four-wheeled wagons. To be “vandalized” originally meant to lose everything by destructive violence and systematic robbery. The citizens of the Empire abhorred them so much that they rarely named them but spoke merely of “the abominable race.”

Applied to the Church, the “Vandal Solution” means that a superior physical force literally would strip it of all worldly possessions. This occurred more than once in papal history. In 1527, the papacy was reduced to nothing in material wealth and territorial possessions in Rome, elsewhere in Italy, and abroad. Within fifty years, all had started anew, and the losses of that year were made up. Napoleon Bonaparte went even further: He not only stripped the papacy of wealth and temporal power, he took the pope into exile. Within twenty-five years, the papacy was restored in its temporal power. Napoleon’s empire was over.

In the twentieth century, the “Vandal Solution” has been applied to the Church by the Soviet Union in several countries: the Soviet Union itself; the Baltic states of Lithuania, Estonia, and Latvia; and the central and eastern European states of Poland, Czechoslovakia, Rumania, Hungary, Bulgaria, as well as the eastern portion of

Germany. The Church is literally "vandalized" and, furthermore, enslaved. Yet nowhere in these lands have the religion and faith of the Church died. On the contrary, the evidence is that not only has the Church maintained a toehold on physical existence; it has flourished in a way rarely to be found in Western countries. Even in Albania, rightly reputed to have the worst form of religious oppression, religious faith and the practice of religion continue; and, by strictly underground means, a rather exact picture of the internal Albanian religious situation is regularly available.

The lesson of history is that no "Vandal Solution" can do away with the temporal stance of the Church. Such solutions have only meant a temporary loss of regular revenues and an interruption in communication with the rest of the Church. Effective divestiture never resulted, for the simple reason that the same socioeconomic pressures remained at work. The Church never found itself and the world around it in any other condition, nor did it ever find the minds of its members changed concerning the use of wealth and the function of wealth in human society. That change is implicit in Dante's vision.

The Here-and-Now

The existence, the format, and the necessity of the Vatican State today emanate from the same source as the existence and necessity of the State's complicated and powerful financial agencies, namely: the world economic system and the sociopolitical systems that this economic system imposes. If that system were to change radically along with the sociopolitical system it spawns, doubtless the Vatican State would cease to exist as it is today. In the meanwhile, the present arrangement seems perfectly tailored to the system on all important levels.

The host country, Italy, has been associated with the Vatican for as long as the Vatican has existed. There is still a very strong Italianate tradition in the Vatican, and a strong feeling of pride among Italians about the presence in Italy of the papacy, even if they do not by and large obey the moral and ecclesiastical laws of the Church. Italy, too, originally granted and, with few changes, still allows the enormous margin of tax exemption the Church enjoys there even for ecclesiastical properties and ventures outside Vatican territory and its extraterritorial possessions. Even a Communist or Communist-dominated government in Italy would tread very cautiously

in Vatican-related affairs. The pope could call on untold divisions among the Italians.

Would it make any difference to the spiritual mission and ecclesiastical authority of the pope if the Vatican State as such did not exist? If, to be sure, he were granted possession and ownership, title and deed in perpetuity, to all present Vatican land and property in Italy? If, however, he and all his entourage were Italian subjects, subject to Italian laws, served by Italian laws, while enjoying the present generous tax exemptions and the special status and protection guaranteed them by the Italian Constitution? Would that change of status remove from the figure of the pope the trait so many enemies and critics of the papacy and the Church find objectionable?

For most of the papacy's genuine enemies and for its most ardent critics, the only change in papal status that would dissipate the enmity and quell the criticism would be a reduction of the pope's status to that of a local bishop with no extra privileges, certainly no special tax exemptions, no formal relations with government, and, above all, with no jurisdiction or control over other bishops.

This negatively critical attitude leads us to the essence of papal statehood and sovereignty. The temporal power of the modern papacy has little if anything to do with what such power once could guarantee. For the Vatican State is as defenseless against physical force as any other minstate. Nor is there any way in which the papacy can threaten—as it did once—to commit aggression on other people's territory, even to acquire that territory. Those days are past. Sovereignty and papal temporal power mean something else today, and they accrue to the papacy because, as Gromyko asserted, the papacy was and is strong enough to take that power. This is probably what galls its enemies and spurs its critics.

But the brute facts are plain. The pope is head of an international community or family, the Catholics. Some portions of the world Catholic population enjoy much wealth and the prestige and influence that flows from wealth. Other portions—Latin America, for instance—are not wealthy, but their sheer numbers and key locations make them very important in the calculations of statesmen, economists, and military planners. They may not all be loyal to Catholic law and the Catholic spirit all the time; but sufficiently large numbers of them are faithful at least to the institution of pope and Church that local governments are usually very glad to be able to talk to the pope about their troubles and aspirations concerning the Catholics in their population.

What more logical step, then, than to have the pope's representative—an apostolic nuncio or a papal legate or, at least, a papal nuncio—accredited to the home government, and to return the favor by sending an accredited representative to join the Vatican diplomatic corps? It is so logical, in fact, that 109 countries have done so and those who haven't—the USSR and Israel, for instance—all maintain an unofficial representative permanently in Rome just for this purpose.

For, Catholicism apart, there are in our troubled world few locations where diplomats on opposite sides of the fence can find as conveniently neutral a ground as within the Vatican diplomatic corps. Besides, without exaggerating the point, one must admit that the information pouring into the Vatican is of an unusually wide span and of a very reliable kind.

The fundamental fact is that whoever heads the Catholic Church as pope wields genuine power. No government granted it to the papacy. It took that power upon itself. The pope, *ex officio*, is one of the world's most powerful men. The peculiar power entrusted to him cannot be measured by the usual yardstick. There is no other religious or political figure on our earth who could, as Pope John Paul II did, make a state visit to England and another one to the Argentine at the very time both were engaged in acts of war against each other.

There is no political leader, no statesman, no philosopher who could, for instance, enter a Communist military dictatorship such as Poland and literally speak to the Communist military dictator across a carpet in full television and radio proximity to Poles and millions around the world. Pope John Paul II did. Nor could anyone else have gone to Nicaragua and lectured the Sandinistas in public on their deviations.

The same general conclusion applies to the question many have raised about the Vatican's financial agencies. Given this power status of the papacy and the Vatican, a bank of its own is as logical and needed an installation as its diplomatic corps. Its tax-exempt status becomes part and parcel of that special status the pope enjoys. In fact, all the accoutrements of the present State of Vatican City seem to be perfectly fitting: The compromise of 1929 seems a permanent one.

When we turn to the present structure of the Vatican's financial agencies as they developed after 1929, we cannot really fault the general line of policy, which was directed at securing for Vatican

representatives a place within the emergent managerial system that is gradually replacing the old ethos of capitalism. In one true sense, the developing situation seemed to be tailor-made for the papacy's position and its resources. In effect, those financial resources do not belong to any one man or group of men. Nor do they belong to the men and women of the Catholic Church alone. In Catholic truth, they belong primarily to Christ as head of the Church, and then not to Peter or any of Peter's successors. These have the resources at their disposal merely to manage, distribute, and conserve for the good of Christ's Church. All in all, they are merely managers of those resources. And that, within our new system of geo-economy, is title enough and title proper to active participation in the economic sphere.

No doubt, also, the policy adopted after 1929 succeeded this far. In liquid assets, in real estate, in gold deposits, in collateral, and in all the valuable and so-called intangibles—prestige, credit, quality of performance, durability, organization—the name of the Vatican stands high. Mao Zedong was so wrong in saying that power came out of a gun nozzle. And Bernardino Nogara was so right in pointing to the running tickertape as "the place where power flows."

There may be only one fault in the policy calculation that has dictated Vatican success these latter decades, and only time will tell. The managerial system may prove to be not the initiating process of a new era in world economy and financial structure; it may be the last, desperate gamble of a civilization already on its knees beneath the blows of historical failure. For the managerial system as such envisages the full gamut of human rights that, before the system itself was born, were championed by that most fragile of human inventions, democracy. And, in principle, the system is designed to give rein to liberty and competitiveness, two of democracy's gifts.

But the situation the managerial system creates may well turn out to be the cradle for another new regime in human affairs wherein the notion of human rights has no place, and where all the mighty efforts to salvage something of the past spirit will prove to have been just a sleepwalking to the end of the human night.

In that eventuality, doubtlessly the Catholic Church will have an alternative course to steer. There are already signs that, due to the peculiar situation of the Catholic Church in Poland, an utterly new concept of the Christian in human society may be developing under the tutelage of John Paul II's Vatican.

For the moment, however, our overview is limited to the here-and-now. The main criticism that can be leveled at the Vatican State today concerns its financial agencies. No one event and no one detail, but the weight of many events and a myriad of details, has convinced many people within the Vatican State, within the Church, and outside the Church, that the present structure of Vatican financial agencies—efficient as they manifestly are—must be judged not fitting.

The reason is clear. From being formally and according to charter an appendage of the Vatican State, the cluster of financial agencies seems to have become or at least to act like an independent entity enjoying an autonomy of decision and action which has enabled some of the financial functionaries to engage in activities that no recent pope countenanced. When these activities are judged even by the low standards of our modern international financial community they are unacceptable in any court of law. Besides, there is some evidence that at least isolated actions of more than one pope with a bearing on ethical and political problems were dictated primarily by the monetary advantages envisaged by the State's financial agencies. All in all, one can understand, if not sympathize with, the remark of one Italian treasury official commenting on the enigmatic convolutions of the 1982 Roberto Calvi case and the shadowy Vatican connections with it all: "It seems it is the tail that wags the dog."

Both the past history of the Vatican's financial agencies and the recent calamities suggest urgent need for a restructuring of those agencies in a way that is compatible with the religious character of the Catholic Church, the primatial claims of the papacy, and the economic needs of the administrative center for an ongoing institution such as the Catholic Church continues to be.

The Would-be Reforms of John Paul I

Albino Cardinal Luciani, the 65-year-old Patriarch of Venice, was elected Pope John Paul I at 6:20 P.M. on Saturday, August 26, 1978. He was found dead in bed thirty-five days later. Official medical bulletins ascribed his death to heart failure at approximately 10:30 or 11:00 P.M. on Thursday, September 28.

Of all the problems that confronted Pope Paul VI's successor at the outset of his pontificate, three were the most thorny. There was the popularity of the new liberation theology which was sweeping

through Latin America and providing a would-be Catholic justification for armed and violent overthrow of existing governments. Grave doubts were also entertained about the activities and loyalty of the Church's most prestigious religious organization, the Jesuits—many reports accused the Jesuits of fomenting Communism and a Marxist interpretation of human existence. And at home, John Paul I was faced with the complex and scandal-ridden financial agency of the Vatican, the Institute for Religious Agencies, the IRA, headed by Archbishop Marčinkus.

The untimely death of John Paul I¹ precluded any action on the pope's part; his decisions concerning all three problems remain shrouded in relative silence because, along with the stilling of the pope's voice, two of the Vatican officials nearest John Paul I in his short reign—Cardinals Jean Villot and Giovanni Benelli—have since died.

Nevertheless, the broad outlines of John Paul's intentions were made abundantly clear. The principal officers of the IRA who were in charge during the entire period of Sindona's association with Vatican finances—Archbishop Marčinkus being one of them—were to be retired. But this was merely a beginning. What confronted John Paul I was an agency of his own Vatican bureaucracy about which very little was known.

There was no question of doing away with the IRA itself. What John Paul wanted was control over its activities. But for control, accurate information was needed. And even when such information was available, there was a further difficulty: the relative immunity and independence of the IRA, which does not fall within the normal administrative structure of the Vatican. While, theoretically, the pope is in control, no pope ever ascends the throne prepared even to understand what is going on in the IRA, much less hand down technical decisions.

John Paul I, therefore, proposed establishing a confidential committee of cardinals with their technical advisors. Their competency was to include complete audit of all financial operations connected with the IRA; an accurate assessment of the Holy See's worth at this stage of its history; and a series of concrete recommendations under three main headings: In what sectors of IRA activity was there a possibility of scandal similar to the Sindona scandal arising? What investments and investment operations of the IRA, if revealed to the world at large, would result in a denigration of the Church? What restructuring was necessary and advisable in order to bring the affairs

and operations of the IRA within normal supervision and regulation by the pope and his personal aides?

One part of the inquiry John Paul I wished carried out with alacrity concerned the confidential business associations of the IRA. In the first ten days of his pontificate he had been the recipient of many comments and reports that suggested those associations included relations with industrial, financial, and political figures whose aims were in direct contradiction to the ethos and beliefs of the Catholic Church. His informants spoke of associations with right-wing dictators, underworld figures, and one or more branches of the Lodge in Italy.

One important question over which John Paul spent much time concerned the very existence of the IRA. Did the Holy See really need a bank of its own? Was the very idea of a Vatican bank inimical to the spiritual and religious character of the Catholic Church? Finally, what net losses in funds and financial freedom would result if the banking function of the IRA were terminated and performed by a non-Vatican agency on behalf of the Vatican, and if, at the same time, the tax-exempt status of the Holy See was still respected by the Italian government?

It is not certain or even probable that John Paul I would have gone beyond a thorough investigation of the IRA and its ramifications. Apparently, his restructuring proposals were intended to obviate any reasonable possibility of a repetition of the Sindona affair. But we will never know accurately how far he had been able to penetrate the morass of complex and interwoven operations which enabled and still do enable the IRA and its associates to wield a considerable influence on the Italian economy and on political issues that affect the vital interests of other countries.

But he did insist on knowing what was afoot. Such knowledge could result in a dangerous breach in security for those who operate on the outer edges of civil law and quite outside the limits of Church canon law and the papal charter for the IRA. Death closed off those avenues from John Paul I.