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God in Economic Life

Wilfrid Parsons

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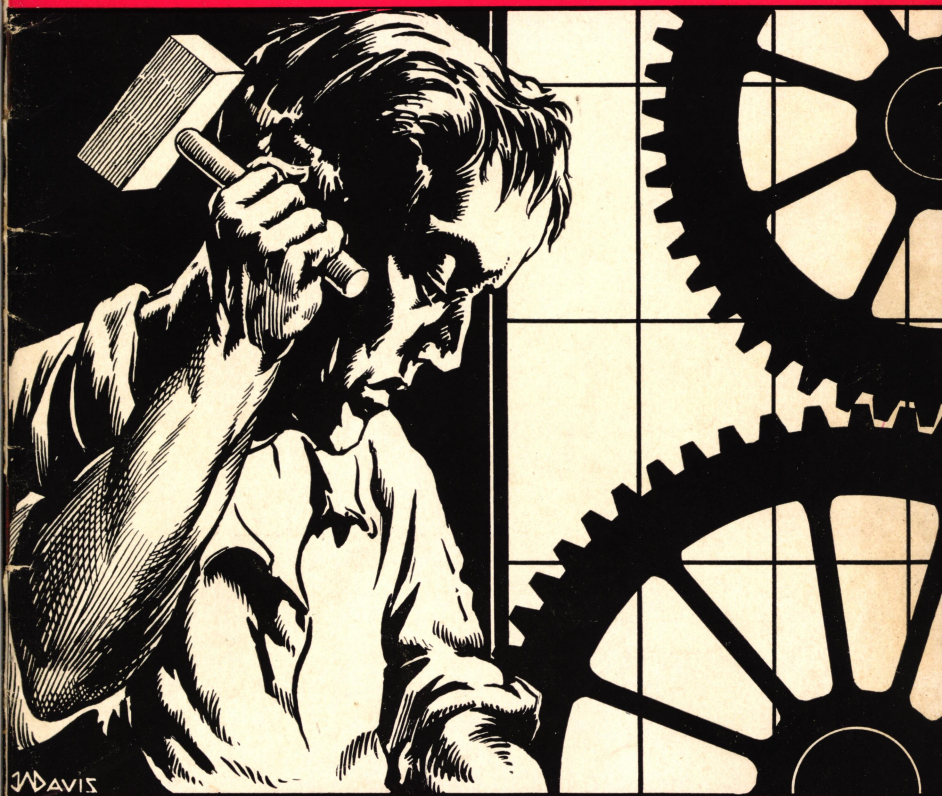
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John Stokes

GOD

IN ECONOMIC LIFE



BY REV. WILFRID PARSONS, S.J.

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GOD IN ECONOMIC LIFE

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GOD IN ECONOMIC LIFE

INTRODUCTION

ECONOMIC life is the life of business, of the production of raw materials, of the making of goods for public consumption, of banking and money and exchange, of the myriad services that social life requires. It goes on in the factories, in the counting house, on the farms, and on the railroads, the highways, the sea and the air. It supplies people with food, with clothing, with housing. It occupies the labor of many millions and it multiplies wealth beyond belief.

But what has God to do with economics? What is there in common between heaven and the production line? What has Mammon that links him with the Creator? Is it not really fantastic to think of God in connection with the making of money?

The answer is not really hard to find. The economic life is not the life of dollar bills, of steel monsters like dynamos and turret lathes and blast furnaces. These are blind and senseless instruments. It is the life of the men and women who own these things, the mines and factories and railroads, and of the men and women who work at them and make them go. Apart from man himself, the economic life is no life at all. The machine is the servant of man, his own creation, and it starts and stops, it moves and makes only at his bidding. Whatever life it has is wholly man's.

But if the economic life is a part of the life of man himself, then God has a great deal to do with it. It has been one of the great and tragic errors of the century to think of "economic man" as a kind of impersonal creature who owes nothing to anybody ex-

cept himself, and certainly nothing to God. "The earth is the Lord's and the fullness thereof," sang King David in the Psalms (Ps. xxiii, 2). The economic life is nothing but the exploitation of the riches of this earth of the Lord's, by man and for man, God's creature.

Man was not meant by God to be alone. He is a social being and in society he finds his temporal and his eternal happiness. He begins his existence in the domestic society which we call the family. Within that society he grows to maturity, until he is ready to found a family of his own. There he is fed and housed and clothed, educated in the lore of God and of the world, made strong and wise and good.

Need of the State

But though the family is man's primitive society, it is not for all that a perfect society. No family by itself can supply a man with all he needs for soul and body, with all the facilities for his personal perfection. In no one family ordinarily are there all the growers, the weavers, the tailors, the shoe workers, the wood workers, the iron workers, the bricklayers and masons, the plumbers, the electricians, and all the other craftsmen who make it possible for us to live in safety and in comfort. This is even truer of such needs as education, recreation, and of course, religion.

That is why, if a man is to be really a man, he needs the help of other men gathered together for this purpose in the larger society which we call the state. For the state is nothing more than what we may rightly call the cooperation of specialists. Each man has his trade or profession and each trade and each profession join together with all the other

trades and professions, each specializing in its own proper contribution to the common good. That is what makes a state.

The state, therefore, is not merely an accidental aggregation of men and women who happen to live near each other. It is a dynamic entity, a community of human beings who join together by willing a common purpose. That purpose is the welfare of the men and women who compose the state. It was the great error of the nineteenth century to consider the state as something purely static and negative, as if it and its government existed solely as a policeman, to hold the lines and make it possible for each individual to pursue his particular aim with the greatest of freedom.

The Welfare State

It is this false concept of the state that has been the most strongly condemned in the writings of the Popes from Leo XIII to Pius XII. For them the state is a cooperative enterprise, whose aim is to promote the welfare of all alike, through its government, if necessary, but, where possible, through subsidiary groupings encouraged and protected by the state. This has been the Christian concept of the state at least since the time of St. Thomas Aquinas in the thirteenth century.

All Catholic teachers have held that this idea of economic life within the state is derived directly from God. For them there is a law in man's nature which is simply the law of God as we perceive it in our nature by the use of reason. It is this natural law, as we call it, which impels men to form a state, to give that state authority to direct its members to the common welfare, and to present to men's minds a pattern of action and to their wills a moral obliga-

tion, derived from God, by which the common welfare is achieved.

This pamphlet is an attempt to analyze and study in understandable language the working of this natural law in the economic pursuits of men within the state.

I

THE ECONOMIC PROCESSES

There are three separate aspects of the economic life which we must consider, one fundamental and two others connected intimately with it. These are: private property, the production of goods, and the exchange and distribution of goods. We will take them in order.

Private Property

All created things in the universe belong primarily to God. They are His by a triple title: He created them, He sustains them in being at every instant of their existence, and He is the prime mover of all their actions. God, however, by a special act of His goodness, has destined the use of all these things for man, that man might employ them as means for his last end, which is the eternal enjoyment of the vision of God. Man is therefore the trustee of his possessions for the fulfillment of the higher purposes of Creation.

How then did individual man come into the possession of private property? The Fathers of the Church were of the opinion that individual property holding arose as a result of sin. If man had never sinned, they held, then all things would have been

held in common. But when by sin man was set against man, then God decreed that individual men could and should hold property as the best material means to protect their liberty and safety.

Natural Law and Property

This opinion of the Fathers, however, was slightly modified by St. Thomas and again by the Catholic thinkers who followed him. According to them, the holding of private property is derived in a sense from the natural law itself, in which God created man. This does not mean that the natural law decrees directly that private property is legitimate, but only that the natural law demands that man has the right to those things which are necessary for his preservation and well-being, and that human reason shows that private property is among these necessary things.

It is true then that if it were possible in the present circumstances of the world for man to achieve the perfection of his personality in an order in which all things were held in common, then that order would be the one which the law of God and of nature would demand. But it is not possible. There is no better way by which a man and his family can be protected against exploitation by the state and other men than by the protection which is given him by owning property. And wherever there has been such exploitation, this is because men did not own property.

It is one thing, however, to say that a man has through the natural law the right in the abstract of owning property and to say that Mr. Jones has the right to the lot on which he has built his house. Mr. Jones does not derive his right to his lot from the

natural law. He got that right from the laws of the state, which allotted it to the first owner of it, or allowed him to occupy it. The state, of course, is merely the society of men existing in that particular area and through them has the supreme right of distributing property to individual citizens. It does not, however, as we have seen, have the right of retaining all property to be held in common.

Moreover, there is a secondary form of property which consists of the things which a man makes out of the things which he already owned, or which he acquired by gift or purchase or inheritance from other men. The state has no direct domain over this kind of property, which is private in the strictest sense.

Three Conclusions

Now several conclusions follow from this common teaching of Catholic thinkers concerning the nature and origin of private property.

The first is the one drawn by St. Thomas Aquinas himself. He points out that the privateness of property consists in the ability of a man to acquire or get rid of it. This right, he says, can truly be called a natural right. But there is another aspect of property, he tells us, which is not private in the true sense. That is the use a man makes of his property.

With regard to the use of his property, St. Thomas says, a man may not have it as his own, but as common. In other words, the use of property is social, not individual. Man is a trustee of it for the common good. The example he gives of this truth is that a man must freely give his property away in the case of another's necessity. More modern writers, especially in this age of capitalist industrialism, and

particularly the Popes, have pushed this doctrine of the social aspect of property to further conclusions, as we shall see.

A second conclusion from the general doctrine of property concerns the right of the state over it. Popes Leo XIII and Pius XI have particularly stressed this angle. Both of them firmly teach that it is the right and duty of the community through its government to set the limits within which private property may be used.

It is here that they come into closest conflict with the teaching of modern naturalists and of those Catholics who have been led astray by them. It is undoubtedly true that society must, through its laws, direct the operations of men in their property so that it will accrue to the common good. It is not sufficient that the state merely see to it that other men's rights are not violated in the use of our property. It must also positively co-operate by directing the use of property for the common welfare of all the citizens of the state. Nothing is clearer in the Papal Encyclicals than this teaching.

A third conclusion from the doctrine has to do with the proper distribution of property. If it is true that private property is necessary for the proper perfecting of man's personality, then it is also true that an order in which only the few have possessions and the many are dependent for their living on the property of others is one which is essentially against the law of God and of nature. This, in fact, is the principal grievance which the modern Popes have expressed against our capitalist system. For the same reason, their great effort at the reform of society has been directed toward erecting a system in which private property will be distributed as widely as possible.

It would be, in fact, rather absurd for Catholic writers and teachers to defend the right of private property on the ground that it alone will safeguard the liberty and integrity and dignity of the human person, and at the same time be reconciled to an economic system in which the vast majority of mankind do not enjoy this safeguard. If we are to fulfill the destiny of creation, then, and obey that natural law which is the expression of God's will for his human creatures, then a moral economic system must be one in which the greatest number possible possess the largest private property possible.

The Communists and Socialists agree with us on this last proposition, but they contend that it can be realized only by all men possessing the goods of the earth in common, or at least the means of producing goods. It is incumbent, then, on all who defend the rights of property to show that God's design for man can also be realized in a system in which individuals possess property privately.

We shall now examine whether such a demonstration can be made and, if so, how it can be formulated.

Production of Goods

It was intended by God that the resources of the earth He had created should be developed to the fullest possible extent for the welfare and enjoyment of His human creatures. "In the sweat of thy brow shalt thou earn thy bread," God told Adam and each of his descendants (Gen. III, 19). It was the design of the Creator that by all human ingenuity and invention the secrets of the earth should be ferreted out and put at the service of man. Modern science has done that to a magnificent extent. There is a constantly ascending curve of material benefits, fash-

ioned by man out of God's earth for his own safety and comfort. Thus far all this is according to the will of God.

Moreover, when man, following the natural law—God's law—formed a state, it was primarily for the purpose of setting up a co-operative effort by which all these material benefits might be secured, just as, by the founding of the Church as His mystical Body, Christ designed a society through which man might have eternal happiness. The temporal order, therefore, has a sacred character of its own, for in its own way it contributes to the perfection and dignity of the human person. Hence, no one was to be excluded from the benefits of this temporal order, but all equally were to have a right of access to them.

For many centuries man worked out this Divine precept in such a way that the man who produced owned the means of production. It is true that he always had others to work with and for him, to whom he paid wages, and so there was always a producing class and a working class. Both of these, however, were producers, and the difference lay merely in ownership. The owner was considered to be conferring a benefit on his workers, and the workers on the owner, and both together were making food, clothing, and many material advantages for the benefit of society itself.

Man and the Machine

Later, when the machine was found to be able to produce more goods at less expense, and thus in itself to advance the material progress of humanity immeasurably, a whole new concept of economics was introduced into human society. The actual producer ceased to be the owner of the means of production.

Instead, these were owned by those who had been able to accumulate money or to secure credit from banks, and they in turn hired the work of the actual producers—the workers and the managers who were set over them.

Thus the wage system, which had once been a kind of partnership, became instead the source of a division in society. There were two classes, and on these classes society was built. The interests of these classes were no longer identical, but in fact opposed to each other. It was the interest of the owner class to produce goods at the lowest possible cost—including wages—and to sell at the highest possible price; while it was the interest of the worker class to receive the highest possible wage and pay the least possible price for the commodities he needed.

Moreover, another evil was also introduced along with this first departure from the natural law of co-operation. The work which a man contributed to the production of commodities was itself considered a commodity, and hence subject to the same law of supply and demand which governed the price of goods. According to this law, when the supply of goods was large, the price was low, while if the supply was low the price was high. It came to be the same with wages. Men were not paid according to what their work was worth but according to the supply of labor. Wages went up when the supply of workers was scarce and went down when the supply was abundant.

It is not necessary to emphasize the immoral character of this new wage system. The purpose of any man's work was to enable him to furnish his family with what they needed for at least frugal comfort. In the commodity theory of wages, a man earns according to circumstances out of his control,

not according to the inherent dignity of himself as a human person.

Civil War in Business

This was not all the evil which the capitalist system introduced into society. Not only was the partnership of worker and owner turned into a kind of civil war, but the same civil war was carried on between rival producers themselves. Unlimited competition was claimed as the normal process of business, which came to be a kind of life-and-death struggle. In this civil war the weaker necessarily went to the wall, while the stronger and more ruthless, as Pius XI pointed out, absorbed the business and often the plant of the loser in the struggle of competition.

The result of all this has been disastrous to the Divine plan for man. The winners in the competitive struggle became larger and larger, and in time approached monopoly, especially when two or more larger businesses agreed secretly to compete no longer, but to keep prices at any level they chose. This in turn brought about the necessary evil of government control of business, for it is obvious that society, when it sees its own welfare menaced by private interests, has the right to use its government to protect itself.

Thus we see that what had originally been intended by God to be a means of unity among men by the co-operative enterprise of supplying humanity with the material things which it needs, became a source of division: division between owner and worker, between owner and owner, and between owners and society itself represented by its government. After pointing all this out, Pope Pius XI also

went on to show that in each country powerful aggregations of money got control of government or government got control of the money power, and either one or the other fought throughout the world for their own advantages. Production of goods, which was intended by God to be a blessing, had become instead a curse.

Later in this pamphlet, we shall see how Catholic thinkers propose to rescue society from this terrible difficulty in which it has involved itself by ignoring the natural law, which is God's law. Let us go on now to consider the third economic process, which is the exchange and distribution of goods after they are produced.

The Exchange of Goods

It has always been conceded by moral teachers that the goods produced by the co-operation of the owner of land or machines and the worker belong to the owner of the land or the machine. Moreover, it is also conceded that it is right for the owner to sell these goods to the public at a profit. (There are, of course, two moral problems involved in this which we can consider later: whether the worker part of the partnership receives his entire due for the goods he produced for the owner part; and whether the profit made by the owner is legitimate.)

Now when an owner sells his goods to the public, he ordinarily receives money in return for them. As a matter of fact, however, money is not an equivalent of goods, unless the money is in the form of gold, which has a value in itself. What he is really doing, however, is to exchange goods for other goods, and money is simply a convenient medium of the exchange, since it can be contained in small compass.

But money (again, unless it is gold) is not a commodity and has no value except as enabling us to buy goods with the money which we received for other goods. It is one of the evils of modern times, however, that there have been merchants of money, who buy and sell it as if it were a commodity.

Now when we offer goods for sale, we say that it has a value, and when measured in terms of money, we say it has a price. In justice, this price is not necessarily merely the whole worth of the goods, since the buying and selling of goods is a mutual operation between buyer and seller. From the point of view of the buyer the just price is theoretically the estimate of the value he sets on the thing he wants; from the point of view of the seller, the just price is the value of the goods, plus the interest on the capital he invested and a profit to pay him for his own risk and effort. In practice, neither of these points of view is ever realized, but rather a balance is struck between the two, and this in turn is modified by the abundance or scarcity of the goods themselves.

As long as this process is allowed to go on unchecked, there is a constantly increasing flow of goods to the consumer and a constantly growing prosperity for both worker and owner producers. As we have seen, however, unlimited competition tends to put the ownership of the means of production in always fewer and larger companies, and these companies often agree among themselves not to compete any longer, at least as far as price is concerned. When this happens, we have the kind of monopoly which is called a managed price. In such a system enormous profits are made at the expense of both the worker and the public at large. This has been in the past largely the case in the United States, and has

been one of the causes for the periodical demand by the country for government control in sheer self-defense.

Three Conclusions

What conclusions can we draw from all this as to the relation of God to the economic order?

First of all, we see that God intended the production and exchange of the goods of His earth for the benefit of all His children, not merely for those who are lucky enough or unscrupulous enough to gather them in for the benefit of themselves and their friends. We have seen that the economic system as we have worked it out in the past century, or so has not met this Divine purpose. The Communists and Socialists have seen this clearly enough, though they may not usually present the situation as one against the natural law and the will of God.

Secondly, the production and exchange of the goods of God's earth were intended by Him to be a matter in which men co-operated with each other for the common good. They were not intended to be the source of strife and division. Here again we must admit that the Communists and the Socialists have seen more clearly than many who call themselves Christians, though again we have to point out that their remedy for the evil may be more disastrous than the evil itself.

Thirdly, the two evils I have listed themselves necessarily bring along with them another evil, which is the great increase of governmental intervention in business. I have said that this is a necessary evil, for otherwise the vast majority of mankind would be the victim of unscrupulous monopoly and there would be, as Pius XI pointed out, a terrible inequality of private possessions among men. It is an evil, for

every increase of government power brings with it a whole new train of evils in themselves.

II

CONSEQUENCES

Now that we have discussed the economic process of property, production and distribution, we can turn our minds to another aspect of the whole question, and that is the way in which the natural law should operate for the welfare of human beings, and the way in which the flouting of that law destroys that welfare.

Dignity of Labor

Intimately involved in the economic life is the fact that man was destined by God to earn his bread by the sweat of his brow. In other words, work is the necessary condition of man's life, and the labor which men devote to the production of goods has itself a Divine origin. Nevertheless, in our times a profound evil has accompanied this fact, and on it I would like to quote from a work of my own which is now out of print:¹

"Labor has become something to escape from, not something to honor and cherish. . . . Our expanding economy, the vacuum which it constantly created in the social classes just above, gave a semblance of reason to the dream of a society in which all the lower sections would be moving constantly upward, because their place would be instantly taken by other less favored. But our economy has ceased to expand; the vacuum has become a plethora; and we have of our own accord stopped the flow of immigration.

¹ *Which Way, Democracy?* pp. 283-287.

"The result of this is that from now on the laboring class is doomed, as the world would now have it, to remain the laboring class, as in Europe. The misfortune is that we are not spiritually prepared for this catastrophe. . . . To speak in human terms, we have millions of families which will remain indefinitely in the working class, and these same families looking on that fate as nothing less than a disaster and an injustice. . . .

"As long as we look on being a laborer as being something inferior in the human scale, so long will this unfortunate condition prevail. We can be saved from it and its dire consequences only by a revolution of spirit. The Communist is meeting it by proclaiming that the destiny of every man is to be a worker, and by a movement to reduce all men to that state. But we look in vain in Communist literature for anything that will make men like it. The machine is man's destiny, and he may as well be resigned to it. In this there is nothing except to see man as an animal, whose sole function is the production of material goods.

"The Christian concept of labor is far nobler. The highest type of Christian humanity is Christ Himself, a worker with His hands, the son of a worker, the friend and associate of workers. By choosing the vocation of a carpenter, He dignified manual labor for all time. The keenest outrage committed against the worker in our times has been the materialist philosophy of the pursuit of wealth and station as the highest and most honorable pursuit that a man can follow. . . .

"The selfish possession of all this wealth is a degradation of it. But the work of man's hands to produce that wealth has a nobility that nothing can rob him of, if he only looks on it as it really is, not

as animal greed and self-indulgence would regard it. . . .

"The Communist has sneered at such a movement in the past. To him this religious concept is some kind of opium designed to deaden the worker to the bitterness of his chains. But the Communist does two contradictory things: he condemns all men to the chains of manual labor and he works to make men hate them. . . . The salvation of mankind cannot come from such inherent contradictions as that. This salvation can come only when all workers have attained to the glory and nobility of Christ the Worker."

Problem of Poverty

Intimately connected with this problem of the worker is another consequence of the economic processes and that is poverty. About this, too, there has been much confusion in the modern mind, and Catholics themselves are not exempt from this confusion.

On more than one occasion I have heard an almost blasphemous distortion of Christ's words: "The poor you have always with you." This is said as if Our Lord was condemning a part of mankind for all time to being poor, and it is uttered as if it were said by Him in defense of an economic system which has inequality of wealth as one of its essential attributes. I need not point out that He merely meant to tell Judas that there would be poor people after His death, and so there would be always time to care for them, for whom that traitor had expressed a hypocritical concern. ✓

The Catholic Church has never taught that involuntary poverty is a necessary fate of a part of mankind. On the contrary, the Popes have always

held that gross inequality of wealth is a crime and that a proper distribution of income for all men is the Christian ideal. It was St. Thomas Aquinas himself who said, to quote Father McNabb's translation: "A certain amount of comfort is necessary to the practice of virtue." You will not have to go far in any great city to ascertain from any pastor that the condition of the poor in our slums is the greatest obstacle they know to the proper observance of the Commandments of God.

Poverty, as we know it in its most shameful aspect, is a direct consequence of our economic system. It is true that there are some shiftless men and women who seem unable to raise themselves to a level of decent living and that it looks as if they were at fault. But how do we know that those unfortunates whom we so lightly call "shiftless" are not merely discouraged people, defeated long since in the uneven struggle for an existence? It is not possible for us to shuffle off our social responsibility to the poor to say that it is "all their own fault." Until we have seen how deeply poverty is involved in our present way of producing the goods of the earth, we shall not have taken any real step to realize the plan of God for mankind.

Rights of the Worker

Hence one of the greatest precepts of God for the economic life, even before charity to the poor, is justice to the worker. It is true that the doctrine about property as preached by the Church is that all are bound to give of their superfluity to the needy. This is an obligation of justice, not of charity, for it flows from the very nature of property as I have described it. But it is even truer that justice de-

mands that our economic system should not create poverty by paying the workers less than a living wage. There are many men in positions of wealth and economic power who are very *charitable* to the poor, but who are *unjust* to their workers. In the economic life, justice comes before charity. It is only after justice has been done, and there are still the poor to be taken care of, that charity has a place.

Whether it is possible for our present economic system to do away with poverty is a question that has long been discussed. The Socialists and Communists agree that it is not possible, as long as the product of the partnership between the worker and the machine owned by the capitalist belongs exclusively to the owner. According to them, this product should belong to both together and both should get the profit from it, not merely one of the partners. That is why they say that the whole community should own the means of production jointly, and that these should be administered by the government.

We need not here go into the reasons why the Marxists hold this opinion. They are discussed in many places by Catholic writers. But this must be said. The Popes in their Encyclicals hold that the contract is a just one by which the owners of the machines hire other men to work the machines for them and by which, consequently, the product belongs to the owner.

But it is important to note that the Popes say this theoretically, as a doctrine or principle. They do not say that this system is just in any particular case, or even in every case in the present order. They mean merely that it *can* be just. When Catholics teach that property is a necessary means to safeguard the dignity of man, they do not mean this for some men, but for every man. Consequently, the

Catholic ideal is that every man on the globe should have an interest in private ownership of the wealth of the earth.

As we shall see, Catholics are inclined to agree with the Marxists that in this concrete order, as we have organized it, it is not possible for justice to be done the worker. Justice to the worker, as Catholics conceive it, is a living wage for the worker, not a wage according to the supply of workers, or even according to the value of his hours of labor. But, as we shall also see, the solution of this problem as given by the Catholic thinker is very different from that given by the Marxist. In making his contribution to society, the Catholic argues, the worker has a right to demand that society return to him the social benefit for which he worked for society, and that is a living in decent comfort.

Liberty and Equality

This brings us to consideration of those ancient Catholic ideas of liberty and equality.

It has grown to be a custom among uninformed popular writers to speak of liberty and equality as if they were an invention or discovery of the revolutionists in America and France in the eighteenth century. This is simply because they are ignorant of history. But because these popular writers talk this way, Catholics often have an uneasy suspicion that there is something heretical about liberty and equality. Nothing could be more untrue. The Fathers of the Church and the Medieval writers, in talking about the state, constantly spoke of liberty and equality, and held that it was in fact Christianity which introduced these two concepts into Western civilization.

Modern historians no longer doubt that it was the Church which first taught men the idea that all men are equal under God. The idea that God is the Father of all, and that Jesus Christ, His Son, is our brother, was responsible for the world's seeing that all men, without exception of condition or race or color, are brothers to one another. All men, then, equally enjoy the rights of brothers in the great human family.

If we apply this doctrine to the economic life, we are able at once to see that an economic system which entails a condition where some few are very rich and many are very poor is not a system in accord with the design of God for His children. It is all very well for some to say that in this country every man is free to "rise to the top," that is, acquire much money and power. It is simply not true. By luck, or some other accident, one man or other does rise, but, as we have organized our economy, the gates of opportunity are closed to the vast majority of mankind. After they reach the top, men like to tell themselves that it happened by their own unaided efforts. If they were honest, they would look back and see that it was just some lucky chance that set them on the way. The fact is that in the modern world the old Christian concept of equality simply does not exist.

The case of the modern world for liberty is a little better. When Pope Gregory the Great, for instance, about the year 600 A.D., spoke of the members of the Christian Commonwealth as being "free men," he had a very definite idea in mind. He meant that the Commonwealth existed for the welfare of its members, that the rulers of the Commonwealth were the servants of its members, that these members were not servants of thier rulers. Men were

free because their kings were their servants and held their office in the interest of all citizens alike.

All through the Middle Ages this idea was constantly held up before the rulers of states. Our own age inherits the idea directly from them. Calvin and John Locke and the Fathers of the American Republic never made any secret of the fact that they were merely repeating what had for many centuries been a commonplace of thought in Europe. It has been the constant thought of Christendom that governments exist to further the welfare of the citizens of the state—not of some of the citizens, but of all alike; not to further it merely passively, but actively and effectively. Only when that is done are all men free and equal, and freedom and equality on the economic plane are just as important as they are on the political.

III

SOCIAL RECONSTRUCTION

Throughout this pamphlet there has run a strain of criticism of the present economic order, as one not in accord with the design of God for the human race. This criticism is merely an echo of many passages in the Papal Encyclicals and it has been couched in terms much milder than those used by the Popes, especially Leo XIII and Pius XI. If it runs parallel with much that is said by Socialists and Communists in their criticism, that does not invalidate the criticism. The conclusions which the Popes draw are very different from those of the Marxists.

It is time now to set forth as clearly as possible the outlines of these conclusions, for only by doing

that can we see how the Church looks on the place of God in economic life.

The Papal Criticism

As I have said, the Church considers that the earth and its riches are intended for the enjoyment of all men without distinction. Therefore it has welcomed with open arms all the many ingenious inventions of men by which these riches are made available. It has no quarrel with modern science, particularly that science which has contributed to the comfort and safety of mankind.

But it has a quarrel with the way in which this science has been taken up and monopolized by those who, by their possession of money, have been able to exploit it for the benefit of the few, and not for the welfare of the many. In the concrete, this inequality has been brought about, the Popes tell us, by the organization of society on the basis of classes.

Now by classes, the Popes mean the division of men according to the place they play on the labor market. Some men own the machines and hire men to work them, and other men hire out their labor to those who own the machines. In itself, as we have seen, there is nothing intrinsically wrong with such a state of things. What is wrong with it, the Popes tell us, is that we have organized our whole society on the basis of it. It is not the natural organization of society, for society should be organized on the basis of what unites men, not of what divides them, and this organization by classes divides, not unites men.

The reason for this has already been given above, when we spoke of the production of goods. It has also been pointed out that a further conflict exists

between various companies in the same business, and between business itself and the government. It is the purpose of Catholic economic and social teaching to point out a way by which all these disastrous conflicts can be avoided.

The Papal Plan

This it does by one phrase: co-operation for the common good.

Now the common good is that benefit which is sought when many men together unite with a common purpose. There is a universal common good which is sought by the united will and effort of a large number of people living in the same territory, and this united will and effort is what we call the state. Hence the state is in a true sense a community, a unity seeking a common good. It exists and prospers in proportion as all the members of the community co-operate with each other for their mutual interests.

But there are other, lesser common goods which exist among smaller groups in society. Any company making, for instance, automobiles, is itself a community and it has a common good special to it and all its members. This common interest is the proper creation of the product which all together co-operate to make, and hence also the profit and living which all the members of this partnership make out of the product. Then the common goods of each company and each industry or profession themselves co-operate for the universal common good of the state.

Now these smaller communities within the larger community are called by the Popes, after St. Thomas Aquinas, by the name of "orders," and they sharply distinguish the "orders" from the "classes." An

"order" exists, as I have said, wherever men are engaged in the same pursuit, whether it be an industry or a profession or rendering a service. It is a vertical group and it consists of everybody in the group, whether they be the stockholders, the board of directors, the management, or the workers. All together constitute an "order," for it is by their joint action that the common good of the whole group is achieved.

On the other hand, the "class" is a horizontal division. It divides men according to the position they play on the labor market. Hence it cuts across all the "orders" and sets up some few on the upper layer and the mass of men on the lower. It is this kind of social organization which was condemned by Pope Pius XI in the following words:

"Society today still remains in a strained and therefore unstable and uncertain state, being founded on 'classes' with contradictory interests, and hence opposed to each other, and consequently prone to enmity and strife. This most grave evil, by which society is hurried into ruin, must be cured as soon as possible, as everybody should see."

How shall the cure be administered? The Pope assures us:

"There cannot be any perfect cure unless that opposition be done away with and well-ordered members of the social body be set up, namely, the 'orders'. . . . The supreme interest and purpose of both the state and of every good citizen should be, after overcoming the clash of opposing 'classes,' to raise up and promote the harmonious co-operation of the 'orders.' The social-political art, therefore, must set itself to re-establishing the 'orders'."

In other words, what the Pope wants is that we abolish what divides men and re-introduce what

unites them. In no other way can we avoid the fatal conflicts by which owner and worker, company and company, industry and industry, are set against each other in unending strife. Instead of an industrial order consisting of mutually opposed interests in each company and each industry, the Popes want an order in which each subordinate "order" is a self-contained and self-governing unit.

Sometimes these "orders" have been called "vocational" or "occupational groups" because they are the natural grouping according to the function or occupation in which owners, management and workers are co-operatively engaged. They are not simply a meeting of workers on the one side and of owners and management on the other, in a council with some public member presiding; they are essentially the company itself or the industry itself, considered as a whole, organized from top to bottom as an autonomous body controlling the whole operation of the plant or industry in a democratic fashion.

Abolishing the Conflict

This, it will be seen at once, is very different from the way we have organized industry at present. What we have now is ownership and management on the one side, organized or not, and on the other the workers, organized or not, and the two meeting as one subordinate to the other. Even if all industry were organized and all workers joined the unions, and there was a collective agreement uniting them, we should still not have the system as envisaged by the Popes.

The reason for this is that we should still have an organization by classes. In other words we should still be perpetuating that system of society in which

conflict of interest would be the pervading and indeed the ruling motive. If, as some Catholics in this country have proposed, we should join the two classes together by setting a government official at the head of each council of owners and workers, we should still have the two classes, and the government official in each company or industry would, with his deciding vote, favor either the owning class or the working class, depending on the type of Administration in power in Washington. The conflict would not be abated.

It has been the contention of this writer that an inspection of the original Latin text of the Encyclicals does not bear out the idea that the Papal idea will be realized if we merely set up the two classes in a council under a government official. What the Popes have in mind is that the two classes be eliminated as far as economic power and organization are concerned. What they want is nothing less than putting the whole corporate body of each company and each industry into independent operation in such a way that worker and owner alike co-operate in the management of the enterprise.

This may become clearer if we think back to what I said in the beginning of this pamphlet about the real nature of private property. The natural law, which is the law of God, does not envisage a system in which some have private property and some do not, in which some work for those who have property and those who own the property exclusively own the product of the partnership of the two different classes.

The natural law intends that all men have private property. Otherwise our argument for the right of private property would not hold water. This argument is that private property is necessary for each

man for the protection of his human dignity and for the perfection of his human personality. If most men really have no property beyond a few personal possessions, and if they are entirely dependent on other people's property for their very existence, then it is obvious that the purpose of private property is not being fulfilled. Only by a wide distribution of property can the institution of property itself find its natural fulfillment as envisaged by the law of God.

It is for this reason that Pope Pius XI suggested that the labor contract be "modified" as he said, "by a clause of partnership."

This suggestion is so important that it must be further examined. In ascending order, there are three kinds of partnership that are involved in it: in profits, in management, and in ownership. Let us look at each.

The Co-operative Movement

Sharing of profits is something that is well known in this country. There are many companies which divide up surplus profits with their workers at the end of the year, after the various charges, taxes, etc., have been paid. There are also many experiments in sharing in management, especially since the outbreak of the war. These experiments, however, have not gone beyond allowing the workers to express their ideas about better management in meeting with the officials of the companies. As for sharing in ownership, many companies also have long since encouraged their workers to buy stocks in them, or even given stocks as bonuses for better work.

All these cases, however, are sporadic and partial. They do not constitute a general movement, such as Pope Pius desired. But they do offer a real starting

point for Catholics to adopt as the best possible transition medium to the better social order which the Encyclicals call upon us to bring into the world. If this were done, with a united effort of all Catholics everywhere, the coming of the re-institution of the "orders" would be immeasurably advanced.

There is a real movement in this direction in this country and indeed all over the world, which bears a striking resemblance to the Papal system. I refer to the co-operative movement. This usually starts with a group of consumers pooling their money to buy directly from the producers and selling at a small profit to its members. The profits are then distributed as dividends to the members at the end of the year. In this way the members make the profits which usually go to the middlemen.

Besides these consumer co-operatives, there are also producer co-operatives, in which growers of a commodity, or even the manufacturers of one, own the plant jointly, and thus are owners and workers at the same time. These consumer and producer co-operatives, in turn, are usually supported by credit unions, which are nothing less than banks in which the stocks are owned by the members of the unions who pool their resources, and thus are able to borrow money at a low rate of interest, and moreover are able also to distribute the profits as in the other co-operatives.

It does not take much thinking to see that this form of co-operation is certainly calculated to do away with the conflict-motive which animates industry at large, and hence is quite in line with the Papal directives. It is encouraging to know that the movement is growing everywhere among Catholics, especially in rural districts, where the co-operative motive is usually better understood and practiced.