

The Bishops' Pastoral on Economics and Social Justice

Are you surprised that the same civilisation which believed in the Trinity discovered steam?

—G.K. Chesterton

THE NUMBER OF articles, conferences, addresses, and discussions generated by the Draft of the U.S. Bishops' pastoral letter on the economy now approaches infinity. Hardly a journal, university, think tank, or high school has left the matter untouched. One can speculate on the "missionary" fervor with which some of this appears to be pursued. But there seems to be no way for the final draft, if the bishops unhappily insist on drawing one up, to be anything but anti-climactic—something the cynics have suspected to be the intention all along. A number of bishops, hopefully growing, recognize that there are serious flaws of both tactics and teaching within the initial draft, misunderstandings of Church teaching and the U.S. economy on sometimes fundamental points. Those few who have praised the draft all come from a liberal or socialist agenda. Indeed, on a point by point analysis, this sort of agenda seems to be the main focus of the draft. And even though there was widespread consultation preceding the draft, the writers do not seem to have incorporated much of it or to have recognized the one-sidedness of what they wrote, its relation to earlier Catholic teachings, or to standard economic concepts.

The classic Thomist principle in affairs of practical ethics and speculative philosophy, moreover, was that revelation needed to understand reason, particularly when the topic under discussion, like economics, arose under reason. Few if any of the hierarchy

responsible for the draft seem to have had any real intellectual background in the disciplines in question or in the practice of business or political economy. I have often speculated, should the German hierarchy, say, have decided to do a similar draft, what sort of bishops they would have chosen. Whatever be the validity of this point, the practical result of the draft has been a rapid estrangement of the Catholic hierarchy from those actually responsible for economic thought and institutions. The broader background of this draft, however, requires that we begin to grasp the ambiguous nature of what is called "social justice" from the point of view of political philosophy as well as the actual nature of man that would enable us to encourage a free, productive, reasonable economy in which the long-range intentions of the bishops and everyone else about a more adequate world might actually be achieved.

1776: Year Zero

April 7, 1776, was a Sunday, an Easter Sunday, in fact. James Boswell had noted that Samuel Johnson habitually went to St. Paul's in London on that day. Boswell was likewise struck that "there was always something peculiarly mild and placid in his manner at this holy festival, the commemoration of the most holy event in the history of the world." Boswell and Johnson,

James V. Schall is Associate Professor of Government at Georgetown University. Among his many books are *Christianity and Politics*, *Liberation Theology*, and, most recently, *The Politics of Heaven and Hell* (University Press of America). He has edited the recent pastoral letters by the French and German bishops on war and peace (Ignatius).

after St. Paul's, carried on some varied conversation, finally to have coffee together, after which they then proceeded to the afternoon service at St. Clement's. On the way to St. Clement's, Boswell, noticing some beggars in the street, remarked to Johnson: "I suppose there was no civilized country in the world, where misery of want in the lowest class of people was prevented." To this, Johnson answered: "I believe, Sir, there is not; but it is better that some should be unhappy, than that none should be happy, which would be the case in a general state of equality." Such are remarkable words for we have many a philosopher who would tear down the world rather than allow some to be "unhappy," be that unhappiness their own fault or anyone else's.

The case against general "equality" theory, the redistributionist case, lies at the origin of mankind's learning gradually, unequally, to be less than miserable. Misery, to recall, was the original human condition, so that the proposition that mankind ought to be, in every case, less than miserable means, in practice, that no one would ever have anything but misery on the egalitarian premise. Ironically, it was this same year, 1776, in which Boswell and Johnson discoursed on the problem of misery, that a significant minority of mankind, in a very certain place, in England itself, began to learn how all men, at different rates, might confront misery, not by equality of distribution, which would have prevented the project from even beginning, but by abundance of production. For 1776 was the year of the steam engine, when the *Wealth of Nations* was published, and the American Declaration signed, each in some way contributory to this process by which poverty could be overcome, at least for those willing to learn how.

Norman Macrae, in a famous essay in *The Economist*, pointed out that between the year 1 A.D. and 1776, men had available to them much the same income (approximately \$250 per year), energy sources, travel means, and life expectancy. However, Macrae went on,

Between 1776-1975 world population increased sixfold, real gwp [gross world product] eightyfold, the distance a man could travel in a day between a hundred and a thousandfold. . . , the amount of energy that can be released from a pound of matter over 50 millionfold (with more to come) and the range and volume of information technology several billionfold.¹

The percentage of mankind in 1776 living at the poverty level was about 99 percent. Today, there are about as many people at this beginning poverty level (about 800 million) as in 1776 in terms of numbers. Yet, two-thirds of mankind are presently beyond this level, many far beyond it. The ideological rhetoric of our time concentrates on what is left to do, whereas the real story, which needs to be understood if we are to perform this remaining momentous task, requires an accurate account of how productivity and innovation have been discovered and increased in the past two hundred years. The first question we must ask ourselves now is, why is not everyone poor as in the years before 1776? For even then, Samuel Johnson was quite aware that an egalitarian distribution of wealth, noble as it might sound in theory, would quite simply make everyone miserable, because there was not enough to go around in the first place.

The answer to the question about whether the countries of the world can prevent the misery of the lowest classes is itself contingent upon the answer to the question about what ideas, religious values, institutions, and rewards have proved capable of producing abundant wealth, where it has in fact been produced, which is clearly not everywhere. The truth is that wealth is not produced and distributed in just any old way or with just any old theory of the world. The creation of wealth is itself dependent on certain ideas we have about the family, property, profit, freedom, and invention. We must also recognize quite frankly that often very exalted and noble sounding ideals about poverty and its cure will not work. As in science, so in economics, we cannot learn

what works from some abstract, *a priori* philosophical premise, but we must learn it primarily from hard-won experience. But this same experience must fall into an intelligible conception of human nature. The incessantly talked-about crisis of poverty, which requires considerably more intellectual discussion than it usually receives, is not so much about whether societies can learn how to be rich. Many nations are already learning this, so that the empirical lesson of how this is to be done is available for those whose agenda is really the alleviation of poverty. The more urgent question is whether a faulty ideological analysis of why the poor are poor, based in one way or another on the redistributionist premise, which holds that the poor are poor *because* the rich are rich, will prevent, through political or even religious action, those systems and ideas from coming into play which might indeed eliminate or considerably mitigate relative poverty.

Yet we often wonder, because of our failure to possess what we think we ought to have been given in the first place, about how well the world was "made," what it is intended to reveal to us about *what is*. We must gradually, painfully, unevenly, over a long generation of ages, learn both how to produce wealth and how to maintain a system of freedom in which we might reveal our moral wants and preferences. We are really looking for a system of sustained wealth production which maintains and encourages those values and institutions conformable to human nature and reasonable order which allow us to concentrate eventually on what is not economic or material. Aquinas, at the beginning of the *De Regimine*, remarked that men are not like the animals who have instinct and nature to provide for their needs. Men are given only their faculty of reason by which they must learn for themselves how to do all these things which they admittedly come to need, come to want. Indeed, man is so situated in the world that he can produce from it not only a bare minimum of necessary things for his survival, but an astonishing abundance—provided he pa-

tiently learn how. It is this fact of abundance which at first sight makes the redistributionist thesis seem plausible in the abstract, though in its working out it ends up by setting men against men, rather than putting them in an exchange and cooperative system. Yet, from another aspect, man was given the compliment of having to find out for himself, gradually, how to develop a more suitable life in this physical world. The discovery and effecting of this better way, in one sense, is what both virtue and history are about.

Asking the Right Questions

In this regard, I am reminded of a recent Mel Lazrus cartoon of Miss Peach, in which the topic of the day in the Kindergarten Class, as the sign announced, was: "Arthur Answers the Eternal Questions."² One little boy, with a properly haughty look, inquired of a thoroughly complacent Arthur: "Two questions, Arthur: A) 'Can a person use up his brain?' and B) 'How can he tell when he has?'" To these unsettling questions, Arthur answered sequentially: "To Question A) 'Yes', and to Question B), 'When he starts asking questions like that.'" Civilizations, no doubt, have given up pursuing the right questions and have given signs of having used up their spiritual reserves. The "eternal question" is not, "Can we use up our brain?" Aristotle, after all, defined our mind as precisely "*capax omnium*," as that faculty which makes us capable of all things, the spiritual power in touch with all being. The question is, how do we use our intelligence rightly to discover what we are, both in some transcendent or contemplative sense and in relation to our limited being and happiness on this earth.

Almost immediately, in Book One of *The Ethics*, after Aristotle had defined man's activities as being pursued for the purpose of obtaining happiness, he rejected the view that our happiness consists in wealth, either in its making or use. On the other hand, Aristotle, sensible man that he was, perhaps beyond all others, was not prepared to con-

denn wealth out of hand. In fact, he acknowledged that "happiness seems to require a modicum of external prosperity." (I, 8) The virtue of liberality, in Book Four, described how we stood to our wealth, whether we dominated it for higher human purposes or whether it dominated us. What it has taken the modern era to demonstrate, for those prepared to listen, is how this modicum of prosperity can be made available to everyone by his own activities. But what Aristotle can still teach us is that this relative abundance still does not and cannot obviate the necessity of virtue in its use.

At the very beginning of Aristotle's *Ethics*, moreover, man is defined graphically as that being in the universe composed of hands and a brain. Indeed, the ultimate wealth in the physical universe is exactly this human mind, rightly developed and used, that is, with its connection to the world through the human hand. Without this brain and hand, all physical things are merely things, not things capable of human use and civilization. The human mind is what discovers what is, what is new, what fits the human purpose, which derives finally not simply from the world but from the unique destiny of each man. Man's own being-in-the-world, his capacities, the world itself, are not "results" of man's own powers, but are rather "gifts," whose full meaning and perfection depend on man's learning and relearning about his own purposes and talents; they can, in man's freedom, be used against his own best interests, against even his transcendent purpose.

A proper view of the world, then, both theologically and philosophically, along with man's place in the world, is necessary to man's capability and willingness to use his mind and hands. The crucial parable of human talents in the New Testament, the notion that such talents can be used to produce fivefold or tenfold, or simply buried and not used, that man is at fault not to develop what he is given—this remains the symbolic context in which to discuss penury or abundance. The most productive people often in-

habit the lands with the least resources. Intelligence, sacrifice, work, and energy seem to be what makes the difference. The primary reason why the world does not always seem to serve men adequately is related not to the world, but to man's own ideas about what he is in the world, as well as about his own virtue. Or, to put it in another way, the cause of poverty, once man has learned how not to be poor, is ideological, based on those ideas which explain wealth primarily by the exploitation of man by man, rather than the requirements of the creation of wealth in freedom.

To put this point more paradoxically, not unlike Samuel Johnson on leaving St. Paul's on Easter Sunday, 1776: a knowledge of the single most important event in the history of the world will alone free us from the temptation to locate what is most important for us in the politics or economics of this world. The first liberation is from a metaphysics—today almost invariably presented in the political terms of "justice" or the economic terms of "distribution"—that knows, implicitly or explicitly, nothing but the world. In this regard, John Paul II, speaking to some Peruvian Bishops on the Feast of St. Francis of Assisi last fall, while recalling to them the serious economic problems their people faced, acknowledged that there was no "justice" in such circumstances. Yet, he went on to acknowledge to them, that even though the worse situation seems ever to appear, the less a gradual solution seems to work, "the more seductive can options of an ideological slant appear, which have recourse to ways of a materialistic stamp, to the class struggle, to violence, to power games, which do not take into account the fundamental rights of man."³ John Paul then recalled his central advice, given at Puebla and often repeated, that religion finds the remedies for such problems in her own spiritual resources and teachings, in their fullness, not in ideological, political means. This is a constant, but gentle reminder that the resources of faith and intelligence can and will be the only ones that will finally work, wherein all the relevant values and

issues are included.

Many thinkers are no doubt rightly concerned that neither the developed nations of the world nor the poor any longer hear that full spiritual and human message that is directed to each human person, calling him to some transcendent purpose regardless of the political order he might inhabit. P.T. Bauer, in his *Reality and Rhetoric*, put it this way: "It is paradoxical that the clergy are preoccupied with material conditions and progress at a time when the failure of material prosperity to advance and secure happiness, satisfaction and tranquillity is everywhere evident."⁴ What is suggested here, of course, is that the solution to the remaining problems of misery is not to be accomplished by a theory of equality which deprives the poor of their transcendent truth, while at the same time it removes them from those ideas and systems that will work for the more worldly task of producing abundance. The well-known sociological phenomenon of a clerical or intellectual class turning to this world as a result of its own loss of faith in the transcendent is not today nearly so striking as the turning to an ideological view of the world which does not and cannot achieve those goals of prosperity and abundance that would really meet actual misery. And this latter goal was said to be the cause of turning to the world in the first place.

Reason and Revelation

In 1978, to a conference of French businessmen and industrialists, Jean Cardinal Villot, then Vatican Secretary of State, wrote a brief letter on "The Christian Practice of Economics." "The Gospel clarifies and frees the moral conscience," Villot wrote. "It also assures to human activity its rectitude and its full creativity. It does more, without identifying terrestrial progress with the increase of the Kingdom of Christ, it shows the bonds between the two."⁵ This position argues, then, that there exist layers of human purpose and good which are not exhausted by economic efficiency, however good such

efficiency might in itself be. On the other hand, it also holds that the light of the higher ends or goals enables those who think about economics and deal with its realities to be better at what they are about in economics and in production. The harmony that exists between *reason*, with its unanswered problems, and *revelation*, which directs its arguments to this very reason, actively locked into the concrete questions and experiences that arise in human affairs, should forestall the temptation to confuse these terms and should instead lead us to follow lines of thought that enhance what human value is about. In the modern era, indeed, the main problem of the theological sciences seems to have become the effort to define their worth in terms of worldly success. Economics, in turn, has looked coldly on the religious enterprises because of their inability or unwillingness to learn about the well-springs of human productivity.

The view that religion is in fact a detriment to economic progress was articulated perhaps most pointedly by Professor Frank Knight in a famous article, "Ethics and Economic Reform," in 1939. Knight doubted whether Christianity in particular had much to contribute. He rightly observed that "the teachings of Christianity gave little or no direct guidance for the change and improvement of social organization, and in fact gave clear *prima facie* evidence of not having been formulated for that end."⁶ This comment, of course, is basically true. Christianity is not first or foremost about how to organize the world politically or economically. As I have suggested elsewhere, it is precisely the genius of Christianity *not* to have made this claim.⁷ These enterprises must be learned, even in Christian terms, by themselves, according to their own dynamic.

Professor Knight, however, even doubted any "indirect" influence of Christianity that would contribute anything of value to economic improvement. This was to deny the very assumption of what a Cardinal Villot took as almost self-evident, the harmony of reason and revelation. Knight concluded:

The question whether any proposed measure is in harmony with the "spirit" of Christianity commonly admits of no clear answer or at least none of a sort which will be accepted by Christians as a solution for practical political issues. Indeed, evil rather than good seems likely to result from any appeal to Christian religious or moral teaching in connection with problems of social action. Stated in positive form, our contention is that social problems require intellectual analysis in impersonal terms but that Christianity is exclusively an emotional and personal morality; and this, while unquestionably essential, does not go beyond providing or helping to provide the moral interest, motive or "drive" toward finding solutions for problems. This is not only a very different thing from furnishing the solutions or even indicating the direction in which they are to be sought, but the teaching that it does furnish solutions has results which are positively evil and decidedly serious.⁸

Such a view would argue that religious motives might, perhaps, provide some reason for studying economics or starting a business, but they would give little or no help, and might in fact injure the project, if they were to presume to teach how to do these things.

Something of this point was made recently by Raoul Audouin of the Centre Libéral Spiritualiste in Paris. In an interview with *La Croix*, Audouin was asked whether liberalism was "charitable." "Christians in this area ought often to revise their notion of charity," Audouin felt.

And they ought to understand that in practice, it is of much greater value to work more and show how to produce better, than to give freely. The true virtue of a Christian who has money, is not to give it away—except as in the case, perhaps, of the rich young man of the Gospel, he wishes to leave everything—but it is to invest—that is to say, to furnish to workers the tools to produce more efficaciously.⁹

The relation of rich to poor, then, must be seen in the proper intellectual context. Wealth is not primarily "taken," as in the distributionist worldview, but created. The poor are poor not because the rich are rich but because the poor have not yet learned, or in ideological regimes are not yet allowed to learn, how to be not poor. The testimony of the free and productive societies in modern history is that almost anyone can learn to improve his lot if he exists in a society that permits property, innovation, profit, family, savings, and the application of technology. Where these are not allowed or encouraged, people will remain poor or become poor—sometimes, as Solzhenitsyn testifies, precisely to control a population. In modern political philosophy "the poor" can function as a moral substitute for God, or as an instrument to control a population. Not to realize the possibility of either use is, in the end, also to betray the poor.

The phrase "human nature" or "the nature of man," in the Greek classics, usually meant what man, by himself, could be expected to do without the benefit of a polity or interior virtue. The description of the consequences of original sin in the revelational tradition corresponded fairly well with Thucydides' or Plato's or Aristotle's descriptions of what human nature "did" when left to itself. There was, moreover, a correspondence between the regimes or civil orders with the internal way men defined their happiness in particular. An "oligarchy," for example, was not just the rule by a few rich men, but rather the rule of those who thought, rich or poor, that riches defined best the human good, so that the order of polity corresponded to its requirements. This was quite different from Aristotle's idea that a modicum of affluence was necessary for virtue. Likewise, a "democracy" in the Greek sense was the rule of the poor, of those who did what they pleased, who had no interior principle of rule. The democracy allowed anyone to live in its environs, even the philosopher, because there was no truth or order in what anyone did anyhow. All political systems had their own form of

"justice," which were philosophically defined and constitutionally implemented.

It was the most profound task of political philosophy to inquire about the reason for differing regimes and, behind them, of their differing interior understandings of what constitutes human worth. This enterprise necessarily recognized that less than the best regimes were often best in practical circumstances. Indeed, the philosopher or the cleric was often seen to be in conflict with the politician because of the imperial attractiveness of the best regime. In recent discussions, the term "social justice" has come into use as that idea which directs or demands that a perfect order come into being. Of this idea, Ernest Fortin has written:

Here I would simply caution against an excessive reliance on the newfangled and highly ambiguous notion of social justice, that typical nineteenth-century hybrid out of which nobody has yet been able to make much sense. We should all have been spared a good deal of muddleheadedness if Taparelli, who coined the expression in the 1840s, had bothered to tell us what he meant by it.¹⁰

The proper context, as the Greeks understood in their idea of "general justice," is virtue and moral character, no matter what the regime. This will counteract the anti-justice elements contained in the idea of "social justice" when it means a redistribution of goods unrelated to their production and its requirements.

Individuality and Exchange

Initially, I intended to begin this essay with a discussion of the relation of the just price to the market price. The concept of "just price" implied two things. The first was that the decision of what was to be produced at what cost was to be decided by numerous free individuals actively pursuing their own and their family's interests. This was not primarily "self-interest" in the pejorative sense, yet it did not deny that such an in-

terest was evident. In some sense, acting for one's self was a basic good. The second idea was that the just price implied that the notion of an "unjust" price was to be considered, one arising from both private and governmental sources. Generally speaking, however, the complex system of market exchange with free entry into the market and the offering of a price came fairly close to what might be called just. Further, it provided an incentive to produce and to distribute what was produced to those who made their livings by the process—the majority of people in market economies.

In considering the moral validity of a market system which is especially geared to the needs and contributions of the large majority of the people in exchange market economies, it is of great importance to stress the reason why the market price approximates the just price. Yves Simon, in his *Philosophy of Democratic Government*, has made a unique contribution to this matter. "Is the just price equal to the cost of production?" Simon asked.

There is a strong appearance that it is. Once more, justice in exchange is nothing else than the equality of the exchanged values. Does not equality demand that the sum surrendered by the purchaser be no greater than the total cost of the commodity purchased?

If producers sold their products at a price equal to the cost of production, they would set a fine example of disinterestedness, but society would not be very well served, for there would be no provision for two social needs of the most essential character, viz., *capitalization and free distribution*.¹¹

As Simon went on to point out, both of these are better done and more vital to society when they are not functions of the state, for both imply that the decisions and the initiatives of society pertain more directly to the values and lives of the people in their unique individuality.

It is in this context, in conclusion, that I wish to recall, briefly, G.K. Chesterton's

essay of 1908, "Why I Am Not a Socialist," since it serves to concentrate our minds on the essential point of human nature and social philosophy with regard to the kind of world we want, if we could have it. Chesterton suggested that if we examine the socialist utopias, that is, if we consider the kind of world that the egalitarian and redistribution philosophies picture, they invariably come up with a world lacking in the most essential virtues—liberality, generosity, giving and receiving from our own goods, from our own freedom.

If I were a poet writing an Utopia, if I were a magician waving a wand, if I were a God making a Planet, I would deliberately make it a world of give and take, rather than a world of sharing. I do not wish Jones and Brown to share the same cigar box; I do not want it as an idea; I do not want it as a very remote idea; I do not want it at all. I want Jones by one mystical and godlike act to give a cigar to Brown, and Brown by another mystical and godlike act to give a cigar to Jones. Thus it seems to me instead of one act of fellowship (of which the memory would slowly fade) we should have a continual play and energy of new acts of fellowship keeping up the circulation of society.¹²

Chesterton rightly worried about a world in which there could in principle be no hospitality, no genuine giving and taking, in which the "care" of the system substituted for the activities of the people, who should be able to take care of their own.

What is at stake, it seems to me, in all of the discussion of poverty and the anguish at what is left to do, is a real sense of enabling others to learn how to produce and live their lives. There is a kind of danger which I think is very rampant in our society which "wants" people to take care of, which wants poverty as a sort of justification of massive, unworkable, indeed unproductive systems that seem in theory to justify themselves by their claim to take care of massive human problems, but which instead really create

something more dangerous and unworkable. Our picture of the world needs to be examined quite carefully from time to time to see whether those teachings of gift and intelligence which came from the classical and revelational traditions are still operative in our worldview.

In short, there is a great danger that we will give up most of what is worthwhile in our lives if we do not think rightly about the poor and what they can do for themselves. We seem more concerned about our guilt over the poor or our compassion for them than for the poor themselves. The first element of "social justice" is some adequate understanding of human nature. And for this, we still can do no better than the classics of our rational and revelational traditions. In the end, the relation of the Trinity to steam should not surprise us, no less than the converse relation of misery to equality and distribution.

What the bishops' statement on the U.S. economy needs to become is not a liberal or socialist "critique" of ideas or methods. This critique has already been made by practice but is not understood or incorporated in the document. Many of these ideas have proved that they do not work. What is needed is rather a contribution to the Church of what is uniquely productive and growth-causing in the United States system. This is what the rest of the world needs to know, particularly the Church. By failing to accomplish this, the draft has further left free economic and political systems open to ideological exploitation over the poverty issues. This worsens the problem and further jeopardizes the freedom which the poor also have a right to have open to them. When the "war" pastoral came out several years ago, the French and German hierarchies in particular issued their own very different statements on this issue. This served to counterbalance the extremes of the U.S. position. It would, perhaps, be useful for the German, English, French, and Japanese bishops, among others, to analyze the economic order. However, the real irony here is that it is from

the United States that many of the new ideas of economic growth, distribution, and freedom have come. In failing to comprehend this major phenomenon, the draft

1. *The Economist*, London, Survey, October 25, 1975, 19.
2. Field, 11-9-1984.
3. *L'Osservatore Romano*, English, November 19, 1984.
4. P.T. Bauer, *Reality and Rhetoric* (Cambridge, Harvard University Press, 1984), 89.
5. *La Documentation Catholique*, 18 Juin 1978, 576.
6. Frank Knight, "Ethics and Economic Reform," *Economica*, November, 1939, 399.
7. See James V. Schall, *Christianity and Politics* (Boston, St. Paul Editions, 1981); *The Politics of Heaven and Hell: Christian Themes from Classical, Medieval, and Modern Political Philosophy* (Lanham,

has, in fact, given little hope to the real poor of the world for an escape from their condition in freedom.

MD, University Press of America, 1984).

8. Knight, *ibid*.

9. Un entretien avec Raoul Audouin, "Peut-on être libéral et chrétien?," *La Croix*, 2 Mai 1984, 12. See also Peter Berger, "Can the Bishops Help the Poor?" *Commentary*, February, 1985, 31-35.

10. Ernest Fortin, "Catholic Social Thought and the Economy," *Catholicism in Crisis*, January, 1985, 43.

11. Yves Simon, *The Philosophy of Democratic Government*, (Chicago, University of Chicago Press, 1977), 245.

12. G.K. Chesterton, "Why I Am Not a Socialist," *The Chesterton Review*, [January 4, 1908] August, 1981.