The Popes and the Economy

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Papal doctrine on political economy has long been misunderstood as well as mistrusted among those economic liberals who in the United States have the curious habit of calling themselves conservatives. I propose here to examine this doctrine in the fullness of its articulation over the century between Rerum Novarum and Centesimus Annus in 1991, not so much in order to defend it as to bring at least some clarity about what it is and what it is not.

I will use six papal encyclicals, beginning with Leo XIII’s Rerum Novarum which was followed by Quadragesimo Anno, published by Pius XI, as its title indicates, forty years later in 1931; by Mater et Magistra of John XXIII in 1961; Populorum Progressio of Paul VI in 1967; and Sollicitudo Rei Socialis of John Paul II in 1987, and his Centesimus Annus. Other documents could of course be included. But these six form a self-conscious series, in which each of them, after the first one, begins by referring to its predecessors, and claims to build upon and develop them in a consistent body of social teaching. Developments in doctrine there
certainly have been; for example, the earlier encyclicals contemplated national, and particularly European, economies, while those written after World War II think in global terms, address the problems of the recently independent and economically underdeveloped countries of the Third World, and elaborate a theory of development. It can also be said that John Paul II has a more positive view of the free market than his immediate predecessors. Nevertheless, none of these encyclicals is a break with or a repudiation of the previous ones. I shall therefore feel justified in treating them as a unified body of teaching, the parts of which can be cited in support of the same basic set of principles over the course of a century.

The most basic of these principles are derived from the Catholic doctrines of creation and redemption. God created the universe out of nothing. It therefore reflects and participates in His truth and goodness. The created universe is a vastly different place from the uncreated and ultimately meaningless universe of post-Christian modernity. (The world that God made is therefore much less suited to a purely mechanistic theory of economics.) On the face of this earth, man is the highest of all creatures because, intelligent and capable of free choice, he is the image and likeness of God and is, furthermore, redeemed and made a sharer in God's own life by Jesus Christ.

From this view of man and the world, it follows, in the words of John XXIII, "that individual men are necessarily the foundation, cause, and end of all social institutions."10 "We are referring," the pope explains, "to human beings insofar as they are social by nature and raised to an order of existence that transcends and subdues nature."11 Society exists for man, and man finds his meaning and purposes in God.

There is therefore a certain individualism in Catholic thought. Paul VI explains:

In the design of God, every man is called upon to develop and fulfill himself, for every life is a vocation. . . . Endowed with intelligence and freedom, he is responsible for his fulfillment, as he is for his salvation. He is aided, or sometimes impeded, by those who educate him and those with whom he lives, but each one remains . . . the principal agent of his own success or failure. By the unaided effort of his own intelligence and his will, each man can grow in

11. Id.
humanity, can enhance his personal worth, can become more a person.\textsuperscript{12}

It goes without saying that, in these words, the pope does not deny or question man’s dependence on God’s grace, but means only that ultimately each of us, and not society, makes or breaks himself. Here we have a rejection of collectivism and of every form of totalitarianism which reduces the individual to a mere cell in the body of society. At the same time we are urged to reject the atomistic individualism of liberal thought, which explains society as a collection of individuals banded together for the protection of their private rights and interests. As John Paul II puts it, “the transcendent reality of the human being . . . is seen to be shared from the beginning by a couple, a man and a woman, . . . and is therefore fundamentally social.”\textsuperscript{13}

We may remark without facetiousness that this last statement is pregnant with vast implications. Man is by nature, and not by choice, social because society grows out of the division of the sexes, their union, and the families that result. Community is as natural to man as is individuality. Justice therefore is not merely a regulator of contractual relations among individuals. It also governs the relationship among human beings that flow from their destiny to live in a community with a true common good which “embraces the sum total of those conditions of social living whereby men are enabled more fully and more readily to achieve their own perfection.”\textsuperscript{14} Nature thus establishes a distributive and a social justice, as well as the commutative justice that governs exchange relations such as buying and selling.

Catholic social doctrine rests on certain theological premises. Not only that, it must be understood as being a theology rather than a political or economic program. Its function is to state the God-given goals of human life, social as well as individual, the basic moral guidelines for achieving those goals, and the moral boundaries that must not be violated in striving for our more immediate ends. John Paul II has therefore been able to say: “The Church’s social doctrine is not a ‘third way’ between liberal capitalism and Marxist collectivism, nor even a possible alternative to other solutions less radically opposed to one another. . . . Nor is it an ideology, but rather . . . belongs to the field . . . of theology and particularly of moral theology.”\textsuperscript{15} It was from this moral-theological point of view that he criticized “both

\begin{itemize}
  \item \textsuperscript{12} Populorum Progressio, supra note 7, at para. 15.
  \item \textsuperscript{13} Sollicitudo Rei Socialis, supra note 8, at para. 29.
  \item \textsuperscript{14} Mater et Magistra, supra note 6, at para. 65.
  \item \textsuperscript{15} Sollicitudo Rei Socialis, supra note 8, at para. 41.
\end{itemize}
liberal capitalism and Marxist collectivism" as "two concepts of the development of individuals and peoples, both concepts being imperfect and in need of radical correction."\textsuperscript{16}

Which was not to say, as many commentators leapt to assume, that he regarded them as morally equivalent. What he meant becomes clearer in his more recent encyclical where he says that the "affluent" or "consumer" society made a radical mistake when it sought to defeat Marxism on the level of pure materialism by showing how a free-market society could achieve a greater satisfaction of material human needs than Communism, while at the same time excluding spiritual values.\textsuperscript{17} The consumer society thus thereby "totally reduces man to the sphere of economics and the satisfaction of material needs."\textsuperscript{18} To the extent that capitalism degenerates into mere consumerism, it is as materialistic as Marxism. But capitalism need not degenerate in this way, though it is always in danger of doing so and is therefore in need of moral correction and the development of virtues in its citizens.

Since Marxism is progressively collapsing all over the world and can no longer be taken seriously as the wave of the future, it is not necessary here to expound in detail the popes' criticism of it. If there is a wave of the future, it seems to be capitalism. For that reason, what the popes have had to say about capitalism is more interesting and relevant to our concerns.

What, then, is capitalism, as these documents understand it? Pius XI said that Leo XIII, in his encyclical, "had chiefly in mind that economic regime in which were provided by different people the capital and labor jointly needed for production."\textsuperscript{19} According to Leo XIII, "nature has commanded in the case of the State that these two classes... should properly form equally balanced counterparts to each other. Each needs the other completely: neither capital can do without labor, nor labor without capital."\textsuperscript{20} The popes, therefore, have accepted capitalism understood as an economic system in which some people own capital goods and others work with those goods in a joint process of production to be carried on in a spirit of collaboration, not of exploitation and class warfare. Their criticisms are aimed at the abuses of capitalism, not at the system as such.

Pius XI explained:

\textsuperscript{16} Id. at para. 21.
\textsuperscript{17} Centesimus Annus, supra note 3, at para. 19.
\textsuperscript{18} Id.
\textsuperscript{19} Quadragesimo Anno, supra note 5, at para. 48-49.
\textsuperscript{20} Rerum Novarum, supra note 2, at para. 28.
Leo XIII's whole endeavor was to adjust this economic regime to the standards of true order; whence it follows that the system itself is not to be condemned. And surely it is not vicious of its very nature; but it violates right order whenever capital so employs the working or wage-earning classes as to divert business and economic activity entirely to its own arbitrary will and advantage, without any regard to the human dignity of the workers, the social character of economic life, social justice, and the common good.21

Similar criticisms of capitalism are found throughout the encyclicals. Perhaps the clearest and most succinct of them occurs in Paul VI's Populorum Progressio, where he condemns "[a] type of capitalism" (described as "unchecked liberalism"), which "considers profit as the key motive for economic progress, competition as the supreme law of economics, and private ownership of the means of production as an absolute right that has no limits and carries no corresponding social obligation" (emphasis added).22 I have heard this and other papal statements rejected as attacks on a straw man, since no one advocates that kind of capitalism. This criticism would be easier to accept, however, if conservative editorialists in this country did not so often talk as if they believed in the unchecked economic liberalism that Paul VI described and if they did not reprobate any modification of it as socialism. Be that as it may, this is the kind of capitalism to which the popes object in their encyclicals.

They do not propose socialism as its remedy, nor do they suggest doing away with private property or the market economy. "Without abolishing the competitive market," said Paul VI (and he spoke for all the popes), "it should be kept within the limits which make it just and moral, and therefore human."23 As for private property, Catholic social doctrine not only does not condemn it, but emphatically affirms it. If anything, the popes want more of it, more widely spread, and could cheerfully accept what was once the slogan of Britain's Conservative Party, "a property-owning democracy."

Leo XIII argued at length that private property was a natural and socially necessary right,24 and went so far as to say that "the right of private property must be regarded as sacred."25 Property is the spur to industry and the source of wealth: "If incentives to

21. Quadragesimo Anno, supra note 5, at para. 49.
23. Id. at para. 61.
25. Id. at para. 65.
ingenuity and skill in individual persons were to be abolished, the very fountains of wealth would necessarily dry up."26 Furthermore, property is the bulwark of the basic institution of society, the family, which a father can only protect and provide for "by owning fruitful goods to transmit by inheritance to his children."27

Seventy years later, in 1961, John XXIII took note of the arguments which certain writers had advanced to suggest that in a modern and developed economy, where most people depend on their skills and draw their income from their jobs, private property was no longer important. But he rejected those arguments, saying, "The right of private property, including that pertaining to goods devoted to productive enterprises, is permanently valid."28

Papal social thought acknowledges and defends the right of private property, but does not regard it as unconditioned and absolute. In the Christian scheme of things, property is stewardship. Man has the right to own and use it, but in subordination to God's purposes, not merely his own. The earth is God's, for He made it, and He made it for the sustenance and development of the whole human race. The division of the earth into private possessions is meant to benefit all mankind, and is justified because, in addition to private interests, "it does not cease to serve the common interests of all."29

"The right to own private property," said Pius XI, "has been given to man by nature, or rather by the Creator Himself, not only in order that individuals may be able to provide for their own needs and those of their families, but also that by means of it, the goods which the Creator has destined for the human race may truly serve this purpose."30 It follows that, in the use of property, "Men must take into account . . . not only their own advantage, but also the common good. To define in details these duties, when the need occurs and when the natural law does not do so, is the function of the government."31

The quarrel that apologists for liberal capitalism have had with Catholic social thought is not that the popes deny the right of private property or the usefulness of the market, since in fact they do not do that. It is rather that the popes do not believe that the common interest of society is adequately served by the

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26. Id. at para. 22.
27. Id. at para. 20.
30. Quadragesimo Anno, supra note 5, at para. 23.
31. Id. at para. 25.
profit motive and market forces alone, but requires some degree of governmental regulation and management of the economy.

At the time when *Rerum Novarum*\(^{32}\) was written, said John XXIII in *Mater et Magistra*,

an opinion widely prevailed and was commonly put into practice, according to which, in economic matters, everything was to be attributed to inescapable natural forces. Hence it was held that no connection existed between economic and moral laws. Therefore, those engaged in economic activity need look no farther than to their own gain. Consequently, mutual relations between economic agents could be left to the play of free and unregulated competition. Interest on capital, prices of goods and services, profits and wages, were to be determined purely mechanically by the laws of the marketplace. Every precaution was to be taken lest the civil authority intervene in any way in economic affairs.\(^{33}\)

Pope John XXIII acknowledged later in his encyclical that significant changes had taken place in capitalist societies since 1891.\(^{34}\) Standards of living and education had risen, systems of social security were common, there was more popular participation in public life, greater social mobility, and a decline in class divisions. Liberalism as an economic theory remained alive, however, and, as before, was based on a mechanistic theory of the nature of the world and of human society, a view of the universe as a vast machine operating automatically to produce the right and best results (which might be those of social Darwinism). The results, therefore, did not have to be intended by human intelligence, and any effort to plan them could only prevent or mar them.

The popes have steadfastly rejected this view, either of the universe or of an economic system modeled on it. They admitted that there are laws of economics: "The so-called laws of economics, derived from the nature of earthly goods and from the qualities of the human body and soul, determine what aims are unattainable or attainable in economic matters, and what means are thereby necessary." But these laws, valid though they are within their limits, are not independent of or superior to the moral law, which sets the higher ends of life, and to which particular economic aims must be subordinated.\(^{35}\) For example, if it is

\(^{32}\)  *Rerum Novarum*, *supra* note 2.

\(^{33}\)  *Mater et Magistra*, *supra* note 6, at para. 11.

\(^{34}\)  *Id.* at paras. 47-49.

\(^{35}\)  *Quadragesimo Anno*, *supra* note 5, at paras. 21-22.
economically unfeasible for employers to pay a living wage for labor because of the prevailing conditions of competition, we should change the conditions of competition. This can be done by setting a legal minimum wage, by making collective bargaining legally obligatory, by encouraging cooperation among associations of employers and employees, by labor participation in management or by still other means that are not beyond the reach of human intelligence.

The Catholic mind is a synthesizing mind that seeks to unify all aspects of reality and all the areas of human knowledge in a coherent world view. Such a mind runs the risk of producing what Reinhold Niebuhr called "a presumptuous claim of finality," that is, a final answer to the problem of society that is really only an incomplete one. But if we are not to allow economic forces to run wild in the fond hope that nature, as by an invisible hand, will direct them to the good of the community, we must try to bring it about that "particular economic aims, whether of society as a body or of individuals, will be intimately linked with the universal teleological order" created by God.  

The liberal mind, atomistic and mechanistic as it is, constantly detaches means from ends and turns them into ends in themselves. In our doctrine of freedom of speech, for example, "expression" becomes its own end, to be pursued and protected without regard to the ends for which a rational and free people might have intended to guarantee it constitutional protection. Similarly, economic productivity and efficiency become ends in themselves, to be pursued without limit. It is against this that the Church protests. As Paul VI said:

Every programme made to increase production has, in the last analysis, no other raison d'être than the service of man. . . . It is not sufficient to increase wealth for it to be distributed equitably. It is not sufficient to promote technology to render the world a more human place in which to live. . . . Economics and technology have no meaning except from man, whom they should serve. And man is only truly man insofar as, master of his own acts and judge of their worth, he is author of his own advancement, in keeping with the nature which was given him by his Creator, and whose possibilities and exigencies he himself freely assumes.  

Catholic individualism differs from liberal individualism precisely in that it looks to our common human nature as created by

36. Quadragesimo Anno, supra note 5, at para. 22.
37. Populorum Progressio, supra note 7, at para. 34.
God for the obligatory norms of human action. Therefore, as Paul VI also said, faced with a rapidly developing world, we must ask what the goals of development are, and we must look for the answer in a new, complete, and transcendent humanism that aims at "the fully-rounded development of the whole man and all men" and "is open to the Absolute and is conscious of a vocation which gives human life its true meaning." Since this is the language of theology, it may seem remote from the practical concerns of economics, but it offers an answer to a question that economics on its own cannot answer: What is economic development for?

The reader will have noticed the considerable emphasis that the encyclicals put on freedom and self-development, both individual and social. It found classic expression in the principle of subsidiarity formulated by Pius XI:

Just as it is wrong to withdraw from the individual and commit to the community at large what private enterprise and industry can accomplish, so, too, it is an injustice, a grave evil, and a disturbance of right order for a larger and higher organization to arrogate to itself functions which can be performed by smaller and lower bodies. . . . Of its very nature the true aim of all social activity should be to help individual members of the social body, but never to destroy or absorb them.

This is a purely formal principle that does not answer substantive questions. To illustrate by way of example, consider the Golden Rule, which tells us not to do unto others what we do not want them to do to us. The rule does not tell us what we don't want others to do to us; that is something we must decide for ourselves. In like manner, the principle of subsidiarity tells us that it is wrong to assign to a larger and higher organization functions that smaller and lower bodies can perform sufficiently well, but it does not tell us what those functions are. Nor can it do so in the abstract, since the judgment on them will necessarily vary with circumstances and changing conditions. Yet the principle is neither meaningless nor useless, because it inculcates a steady bias toward decentralization, freedom, and initiative.

John Paul II has restated this bias in a passage obviously directed against socialist bureaucraticism:

It should be noted that in today's world . . . the right of initiative is often suppressed. Yet it is a right which is

38. *Id.* at paras. 16, 20, 42.
important not only for the individual good, but also for the common good. Experience shows that the denial of this right, or its limitation in the name of an alleged "equality" of everyone in society, diminishes, or in practice absolutely destroys the spirit of initiative, that is to say, the creative subjectivity of the citizen. As a consequence, there arises, not so much a true equality as a "leveling down." In the place of creative initiative there appears passivity, dependence, and submission to the bureaucratic apparatus which, as the only "ordering" and "decision-making" body — if not also the "owner" — of the entire totality of goods and the means of production, puts everyone in a position of almost absolute dependence, which is similar to the traditional dependence of the worker-proletarian in capitalism.⁴⁰

He returned to this theme in more detail in Centesimus Annus, where he said:

The social order will be all the more stable, the more it . . . does not place in opposition personal interest and the interests of society as a whole, but rather seeks ways to bring them into fruitful harmony. In fact, where self-interest is violently suppressed, it is replaced by a burdensome system of bureaucratic control which dries up the well-springs of initiative and creativity.⁴¹

John Paul II has acknowledged that the state may perform a substitute function by aiding "social sectors or business systems" when they "are too weak or are just getting under way, and are not equal to the task at hand."⁴² But such interventions are justified only by urgent considerations of the common good. They therefore "must be as brief as possible" in order to avoid taking from society's institutions "the functions which are properly theirs," with the result of "enlarging excessively the sphere of state intervention to the detriment of both economic and civil freedom."⁴³

He goes on to say that in recent years such state interventions have vastly expanded and have created what is called the Welfare State or the Social Assistance State. Beneficial and necessary though some of these state activities have been, extended beyond the bounds of necessity, they violate the principle of subsidiarity and harm society:

⁴⁰. SOLICITUDO REI SOCIALIS, supra note 8, at para. 15.
⁴¹. CENTESIMUS ANNUS, supra note 3, at para. 25.
⁴². Id. at para. 48.
⁴³. Id.
By intervening directly and depriving society of its responsibility, the Social Assistance State leads to a loss of human energies and an inordinate increase of public agencies, which are dominated more by bureaucratic ways of thinking than by concern for serving their clients, and which are accompanied by an enormous increase in spending.\textsuperscript{44}

In addition to the expansion of a bureaucracy of welfare administrators, there is also the danger of creating a class of welfare dependents and other beneficiaries of government expenditures, not all of them poor by any means, who come to look upon their benefits as entitlements.

For these reasons John Paul II has praised private economic enterprise in tones more enthusiastic than we have been accustomed to hear in papal documents:

Many goods cannot be adequately produced through the work of an isolated individual; they require the cooperation of many people in working towards a common goal. Organizing such a productive effort, planning its duration in time, making sure that it corresponds in a positive way to the demands which it must satisfy, and taking the necessary risks — all this too is a source of wealth in today’s society. In this way, the role of disciplined and creative human work and, as an essential part of that work, initiative and entrepreneurial ability becomes increasingly evident and decisive.\textsuperscript{45}

“It would appear,” he continues, “that, on the level of individual nations and of international relations, the free market is the most efficient instrument for utilizing resources and effectively responding to needs.”\textsuperscript{46} The efficiency of the market is limited, however, to “those needs which are ‘solvent,’ insofar as they are endowed with purchasing power,” and to “those resources which are ‘marketable,’ insofar as they are capable of obtaining a satisfactory price. But there are many human needs which find no place on the market.”\textsuperscript{47} At this point, the demands of justice take precedence over the market, and require us “not to allow fundamental human needs to remain unsatisfied, and not to allow those burdened by such needs to perish.”\textsuperscript{48}

John Paul II’s judgment on capitalism is a balanced one. While he puts heavier emphasis on the virtues of capitalism than

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\textbf{46.} & Id. at para. 34. \\
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his predecessor had done, he does not disagree with them. He answers the question whether, after the collapse of Marxist regimes, we can take capitalism as a model in these words:

If by "capitalism" is meant an economic system which recognizes the fundamental and positive role of business, the market, private property, and the resulting responsibility for the means of production, as well as free human creativity in the economic sector, then the answer is certainly in the affirmative, even though it would perhaps be more appropriate to speak of a "business economy," "market economy," or simply "free economy." But if by "capitalism" is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality, and which sees it as a particular aspect of that freedom, the core of which is ethical and religious, then the reply is certainly negative. In plainer English, John Paul II condemns the "unchecked liberalism" that Paul VI had condemned.

The encyclicals see the energies of society as flowing from below upwards, not from the top down. They see human society as a community of communities (or "intermediary bodies"), not as a collection of individuals who have contracted with each other to set up a mutual-protection association called the state. They see social cooperation as being more in accord with human nature and its true needs than the conflict and class warfare to which our fallen nature is so prone. They are well aware, however, that attempts to create an ideal world based on spontaneous collaboration, without private property, state, or law, are bound to fail, as communism has in fact failed. They therefore favor a self-organization of society, beginning with the family through higher and higher levels of associations — industrial, agricultural, labor, educational, cultural, etc. — with the state at the top performing an essentially coordinating role.

In such a society, said John XXIII, the state is to be the agent that "encourages, stimulates, regulates, supplements, and complements." The result is an economy that is largely privately owned and privately operated, but regulated and to some extent managed, as the American economy in fact is. It will have a place for the market, but not the highest place because the common good must be intended; it will not happen solely as the result of

the free play of forces in the market. It is the duty of the state to see to it that it is intended. This is not to be done, however, by central planning fashioned and administered by a national or international bureaucracy. Rather, the popes propose that it be done with as widespread participation as possible by all the organized sectors of society. Social action for the common good can be the work of private bodies or the public authorities. Ideally, it will be a collaboration between them, in accordance with the principle of subsidiarity.

*Rerum Novarum*\(^5^2\) and *Quadragesimo Anno*\(^5^3\) were concerned primarily with the reform of advanced capitalist economies. Their major objectives included the moderation of class warfare, the guarantee of the right of workers to organize, payment of wages on which working men could support their families in decent comfort, and legislation to improve working conditions in the factories. They also urged action to establish a just balance between wages and prices, to spread the ownership of property more widely among the people, and to give workers a share in the ownership and management of enterprises. They favored putting checks on the economic and political power of the rich, not in order to give the victory in the class war to the poor, but to give both sides a stake in the economy that would let them regard each other as partners rather than adversaries.

The later encyclicals broadened their scope. *Mater et Magistra*,\(^5^4\) for example, addressed the question of helping the agricultural areas of a country to keep up with the pace of development in the industrial areas. John XXIII called here for a vigorous exercise of state authority: “To achieve orderly progress in various sectors of economic life, it is absolutely necessary that as regards agriculture, public authorities give heed and take action in the following matters: taxes and duties, credit, insurance, prices, the fostering of requisite skills, and finally, improved equipment for rural enterprises.”\(^5^5\) Some of these things the federal and state governments in this country have done (and sometimes overdone) for decades.

Paul VI urged international efforts for balanced development on a world scale:

> There can be no progress towards the complete development of man without the simultaneous development of all humanity in the spirit of solidarity. . . . This duty is the
concern especially of better-off nations. Their obligations stem from a brotherhood that is at once human and supernatural. . . . We must repeat once more that the superfluous wealth of rich countries should be placed at the service of poor nations. 56

The practical policies that he advocated to carry this exhortation into practice included such measures as jointly planned multilateral programs of aid, the management of international debts, and equity in trade relations.

These and other proposals are the point at which morality approaches policy. I said above that what the popes offer is a moral theology rather than a political and economic program. There is, however, no sharp line between morals on the one hand and politics and economics on the other. Moral judgments shade into political and economic judgments. The practical judgments of politics and economics are never exempt from moral judgment. But the application of moral principles to practice becomes more and more conditioned and variable as more lessons of experience, information on present facts, and calculations of future results are fed into our political and economic decisions. As John XXIII said in another of his encyclicals, Pacem in Terris:

We deem it opportune to point out how difficult it is to understand clearly the relation between the objective requirements of justice and concrete situations, namely, to define the degrees and forms in which doctrinal principles and directives ought to be applied to reality. And the definitions of those degrees and forms is all the more difficult in our times, which are marked by a pronounced dynamism. For this reason, the problem of bringing social reality into line with the objective requirements of justice is a problem which will never admit of a definite solution. 57

There are objective requirements of justice, and we can know them well enough to find guidance and to recognize our moral obligations in them. But, beyond a certain point, their application to practice becomes a matter of practical judgment and prudence, and is the very stuff of politics, about which even the wise and the good, as well as the stupid and the selfish, can and will differ. "For you know," as Edmund Burke said, "that the decisions of prudence (contrary to the system of the insane reasoners) . . . almost all . . . are determined on the more or the less,

56. Populorum Progressio, supra note 7, at paras. 43, 44, 49.
the earlier or the later, and on a balance of advantage and inconvenience, of good and evil.”

It therefore behooves all of us not to claim to know more than we do know. We do not live in a world in which all judgments can be reduced to mathematical certainties. To the doctrinaire mind, the needle on the gauge always stands at either zero or 180 degrees, because there is no scientifically demonstrable reason why it should stop at any particular one of the 179 degrees in between. Such a mind, however, is peculiarly unsuited to making political judgments, which are affected by what Burke called “the unavoidable uncertainty, as to the effect, which attends on every measure of human prudence.”

In dealing with economics and politics, we are not ordinarily confronted with stark either-or choices, but with choices between more or less and questions of how, when, where, by what means, and with what probable effects. We have to decide, not merely whether government should act, but how much or how little, and in what way. We must ask, therefore, what are the limits of the free market, within which it will in fact operate for the good of the whole community. That we seldom know with certainty what the right answer is does not mean that we can avoid making decisions about policy.

A good rule of thumb would be, when in doubt, do not intervene, because every government intervention in the economy politicizes economic decisions and subjects them to self-interested and short-sighted political pressures. But that is only half the story. The other half is that the defenders of capitalism should stop preaching it as an ideology that enjoys the certainty of a demonstrative science and should recognize it for what it is. That is, an existing and functioning economic system that has changed markedly in the past, can change again, and is constantly in need of adjustment to meet the basic requirements of justice for all the members of society.

The free market is useful, even (if you insist) very useful, and certainly more so than a command economy. But that is all it is: useful. The profit motive motivates men to seek profit, but that is all it does. It can inspire them to make office furniture or to peddle pornography, and if profit is their only motive, they will do whichever brings in the most profit. It is very easy — too easy — to point to the instances in which government intervention in the economy has been ineffective or counterproductive. But it would be much more difficult — I would say impossible — to prove that the free market always does a better job than government in solving society’s problems or satisfying human needs,
or that competition alone produces a better social order than solidarity and cooperation.

In a conversation I once had with a Hungarian colleague, I remarked how tragic it was that a record harvest in the Soviet Union was going to waste because the Soviet government could not distribute it properly to its people. "Americans take for granted," he replied, "what a large part of the world does not have — good roads." Just so; our continent-wide economy depends heavily on a magnificent highway system. Does anyone seriously object to the fact that the highways are government property and are built and maintained out of taxes? Certainly the trucking industry does not. And do we really expect free enterprise to protect us from water and air pollution, or from the urban and suburban sprawl that uncontrolled real-estate development produces?

As for satisfying our needs, the market cannot distinguish among human needs, human tastes, and human vices. It caters indiscriminately to all of them because, in an economic view, they are all indifferently "demands." As John Paul II explains,

> Of itself, an economic system does not possess criteria for correctly distinguishing new and higher forms of satisfying human needs from artificial new needs which hinder the formation of a mature personality. Thus a great deal of educational and cultural work is urgently needed, including the education of consumers in the responsible use of their power of choice, the formation of a strong sense of responsibility among producers and among people in the mass media in particular, as well as the necessary intervention by public authorities.\(^{58}\)

We would seem, therefore, to have some use for moral guidance in our political economy, and that is what the popes offer us. Whether and to what extent we should accept it is a matter that we may discuss and debate in our political forums. But to reject it out of hand because it is morality and not economics is to fall back into the liberal individualism that is currently the greatest weakness of both our economic and political systems.

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58. Centesimus Annus, supra note 3, at para. 36.