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Papal teaching on property and industrial organization

R. Frizzero

University of Windsor

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PAPAL TEACHING

on

Property and Industrial Organization

by

R. Frizzer, F. S. C.

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April 1946
PAPAL TEACHING ON PROPERTY

and INDUSTRIAL ORGANIZATION

INTRODUCTION

A most acute problem that agitates humanity today is the "Social Question". Every man is personally concerned with some aspects of the social question. But it is more than a personal problem; it is a world problem. In its broad meaning the social question includes all the problems that affect man living in society, the family, marriage, citizenship, and so forth. In a restricted sense, the sense in which the social question is commonly understood today, it may be defined "the sum of evils which afflict society as a consequence of life in the modern industrial era".

For more than a century humanity has witnessed one of the most cruel and bitter conflicts that history could register, the conflict in the economic field. That conflict far from being over,
is agitating the whole world even today. Society is divided into two classes, the few very wealthy people, and the millions and millions of poor, whose daily problem is the "hand-to-mouth" uncertainty. On one side we have economic individualism, which disregarding the right of the workers and maintaining the right of unlimited competition, treats labour as a mere means to increase its wealth. On the other side we have labour which fights against employers for its disregarded rights and dignity. The labourers often become prey of revolutionary theories in the hope that in some way their rights will be vindicated. "Man as a social idealist will say: 'beyond this dark probation of Individualism I see the shining paradise of Collectivism.'" (1)

All these social evils can be attributed to several factors; but the most fundamental one is that the right notion of private property was and is rejected or neglected. For example, economic individualism, while it is right in defending private property, is wrong when it denies that private property has a social function to perform, and denies that it exists for the common good. Communism on the other hand while it is right in defending the social function of private property, is wrong when it maintains that the best solution of the social problem consists in the abolition of private property and the institution of Collective Ownership.

(1) Chesterton G. K., What is Wrong with the World, p. 4.
The notion of private property cannot be correctly understood and the problems linked with it cannot be solved unless we accept a philosophy of man, unless we accept the principles on which the dignity of the human person is based.

"What is man? What is the human person? Man is an animal, and an individual; but quite different from all other animals and individuals. That which gives him his title of man is an inward principle, a spiritual soul which enables him to think, to make free choices, to love, to live eternally. It is because of the spiritual soul that man is raised immeasurable above the level of the brute. Man "is thus in some fashion a whole, not merely a part; he is a universe into himself, a microcosm, in which the great universe can be encompassed through knowledge; and through love he can give himself freely to beings who are, as it were, other selves to him. For this relationship no equivalent is to be found in the physical world... It is the spirit which is the root of personality." (1)

Thus it clearly appears that the notion of personality involves the notion of totality and independence. The worth of the human person, however, cannot be completely grasped unless it is related to God, the Creator. "A person possesses absolute dignity because of his direct relationship with the Absolute in which alone he can find his complete fulfilment." (2) God has placed in man

(1) Maritain J., The Rights of Man and Natural Law, p. 3.
powers that are not to be found in lower creatures. Therefore man has a purpose or reason for existing that lower creatures have not. It is this conception of the human dignity that is the basis of human equality. Although individuals are different as to sex, age, colour, and mental and physical abilities, they all possess an identical common nature, and the dignity and inviolability inherent in it.

Man is also a social being. Man tends to social life not only because he has need of others, but also because of his own nature: "the person is a whole, but it is not a closed whole, it is an open whole." (1) Thus society is born, whose purpose is its own common good, namely, a good common to the whole, and the parts. That 'good' if it is to be 'common', it must imply and demand, the recognition of the fundamental rights of the human person. The dignity of the human person has no meaning if it does not imply that in virtue of natural law (which ultimately must be related to God, the author of nature) man is the subject of rights, which ought to be respected. Every man "may be considered as having around him a series of concentric circles. The circle nearest him includes his right to life, and the subsidiary right necessary to give its validity, namely the right of self-defence, and the right to the means of livelihood in return for their labour. The

(1) Maritain J. The Rights of Man and Natural Law, p. 5.
second circle includes the right to marry, to found a home and to be a free person. The third circle includes the right to own private property, and to remain free and unmolested in its enjoyment." (1) Other circles include the right to the pursuit of the perfection of rational, moral life, to be treated as a person, not as a thing, etc.

We said that God has a particular aim in creating man; that he gave man a destiny. Thus man is morally bound to see to it that this destiny be fulfilled, and, therefore, he is morally bound to the things which are necessary for such fulfilment. And since the notions of moral obligation and right are correlative, if man is morally bound to fulfil his destiny, he consequently has also a right to fulfil his destiny and to the things which are necessary for this end. This notion is of a paramount importance in the discussion of the problems we are concerned with. From it it follows that if man has a duty to preserve his life, he has a right to the means of livelihood.

A right is an inviolable moral power to do, have, acquire something. A right is a moral power because it derives from the law of being, from the fact that man is a person, and therefore, from natural law. Rights are alienable and inalienable. One can give up money, or land, but one cannot relinquish one's right to life and to worship. The human rights are so sacred that God himself respects them; and, therefore, no power on earth, even the state, 

may take them away without doing violence to the human personality. Human personality transcends society. A right, however, is never absolute. Since man is not only a person, but also an individual, a member of society, and the aim of society is the common good, his rights are subordinated to the common good; they are relative. Man has a right to walk, but none to trespass. Man has a right to possess wealth, but he has no absolute right to use of the wealth as he pleases; that right must be coordinated to the common good. St. Thomas in the Summa Theologica thus states the relation of man, both as an individual and as a person: "Quaelibet persona singularis comparatur ad totam communitatem sicut pars ad totum." But "Homo non ordinatur ad communitatem politicam secundum se totum et secundum omnia sua."(1) The former statement is against any excess of individualism; the latter is against any totalitarian concept of the state.

The object of the present dissertation is to discuss the problems of private property and industrial organization in the light of Christian principles. We say 'in the light of Christian principles' because the problem is not only an economic, but also and primarily a moral problem. It is the "indisputable competence of the Church, on that side of the social order where it meets and enters into contact with the moral order,

(1) Summa Theologica, I-11, 64, 2. and I-11, 21, 4 and 3.
to decide whether the bases of a given social system are in accord with the unchangeable order which God, our Creator and Redeemer has shown us through the Natural Law and Revelation.*(1)

It is a moral problem because it is interwined with the rights of man and with the attainment of man's final end both in this life and hereafter. The Church does not interfere with purely technical matters; that is not her province. The Church is concerned with the salvation of souls. But since she is convinced that till the social problem is satisfactorily solved, it must remain a menace to the salvation of men's soul, she knows it is her right and duty to fight such menace to a finish.

Our main guide and sources will be the papal encyclicals.

During the last part of the 19th century the social evils caused by modern industrialism were extremely serious. Wrong philosophies concerned with the solution of the social problem were springing up. Many Catholic leaders, such as Cardinal Manning in England, Cardinal Mermillod in Switzerland, Bishop Ketterel in Germany, Count De Mun in France, Prof. Toniolo in Italy, and others had denounced such evils and were anxious to find adequate remedies. All Catholics were convinced that the problem could be solved only through Christian principles, but had different ideas concerning the meaning and the application of the principles themselves. It was then that Pope Leo XIII,

moved by the sufferings of the workers and the need of a sound doctrine on the social question, on the 15th of May, 1891 issued his famous Encyclical 'Rerum Novarum, On the Condition of Labour', setting forth clearly "the principles that truth and justice dictate."

The nature of a large part of the encyclical is a defense of private property against the two extreme doctrines of Socialism and Economic Individualism; a treatment of the relation between capital and labour, and of the right of the workingman; and so forth. Its fundamental doctrine is that industrial questions, relations, etc. all are governed by religion and morality.

In 1931 Pope Pius XI to commemorate the fourtieth anniversary of the Rerum Novarum issued the Encyclical 'Quadragesimo Anno, on the Reconstruction of the Social Order', in which he reasserts and develops the teaching of Leo XIII, and analyzes and condemns Communism, a philosophy that derived from Socialism and developed after the issuing of the Renum Novarum. A most important characteristic of the Quadragesimo Anno is that Pius XI presents a comprehensive socio-economic program for the reconstruction of the social order, namely, he suggests the institution of the 'Corporative Order', declaring that it is the best way to follow if economic evils are to be cured.

The present Pope Pius XII in the Encyclical 'Sertum Laetitiae' on the One Hundred and Fiftieth Anniversary of the Ecclesiastical
Hierarchy in the United States of America, in a Discourse to


to commemorate the Fiftieth Anniversary of the Rerum Novarum,


and in many other addresses and messages reasserts the doctrine


of his predecessors on social problems, and develops and applies


some principles to the particular needs of our time.


All the pronouncements of these Sovereign Pontiffs are so


full of wisdom and eternal truth as to form the Code, or Magna


Charta of Christian, or rather Catholic thinking and teaching.


The present dissertation is divided into four parts. The first


part is devoted to the discussion of the right of man to own


private property, and to property's twofold function, namely, in-


dividual and social. The second part is a study of the question


of labour, and a revindication of the right of the worker to an


adequate wage. The third part is dedicated to the two most im-


portant antisocial economic theories, namely, economic individua-


lism and communism. It includes both an analysis and criticism


of these theories. The fourth part is devoted to a study of


Pius XI's program for the social economic reconstruction, and


to the two basic principles on which it must be founded, namely,


justice and charity.
Before discussing the problem of private property it will be useful to give first some general statements regarding property itself, and to consider its different kinds.

Property is referred to the object of a property right; it is the right of ownership in an object or some good. Ownership means that the title of property is vested in some person. This right implies that a person may use the object or good for his purpose, and, having ownership of an object, a person may dispose of it, e.g., by donating, selling it, and so forth. Since property rights are vested only in people, they involve morals. The right of property is never absolute: it is a relative right, namely, subordinated to the common good.

A property can be incorporeal, e.g., patents, copyrights; corporeal, e.g., automobiles, lands; real, e.g., a piece of land and what is permanently attached to it, such as trees, houses; personal, e.g., things that are not attached to that piece of land, such as the furniture in a house, books; public: what is owned by state, municipal government, such as public roads, buildings; private: what is owned by private individuals, corporations.

We have to mention three more distinctions which are fundamental in the problem of private property, namely, productive property, non-productive property, and income.
Productive property is that which is the source of revenue or instrument of production besides one's labour. Thus the owner of a factory or of a farm possesses productive property. Non-productive property is that which perishes in use very rapidly, like one's food or clothes. The use of such things is in a true sense an exercise of private property. Income consists in what a person obtains in return from his abilities or from his investments, e.g., from wages, dividends.

What is the ownership of private property? It is the right to keep and to use external material things as one's own, subject always to restrictions imposed by rights of a higher order. It is the definition given by the ancient great law-makers, the Romans: "Jus utendi et abutendi (1) quatenus juris ratio patitur." A Christian definition of private property would be "the right to have, use, and dispose of things in conformity with moral law." This definition has a very important meaning in these days of economic liberalism and communism, because economics cannot be separated from ethics.

The institution of private property is a development of the natural law, and it is willed by God, the author of human nature.

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(1) The word "abutendi" here does not mean "abusing", but "using up", "entirely consuming".
The supreme ownership of all things rests in God. God alone is true owner, because He alone in true and strict sense makes or produces things. Man makes nothing, he merely changes things. Man, therefore, is owner not by essence, not in an independent way, but only by participation and with dependence on God's will.

God created man and made the earth and all things on it for man, for his proper use. Therefore God gave man the right to use all the lower creatures, in order that he might fulfill the purpose for which he is on earth. Hence it clearly appears that the ultimate basis of private property rests on the divine order of things. Leo XIII writes: "Every man has by nature the right to possess property as his own." (1) These words, however, must be rightly understood; they do not mean that each man is born with the right to a definite portion of property, but that by nature itself he has the right to hold property when it is acquired under a just title. Again because the divine order is that all material things serve the needs of all mankind, it does not follow that things must be owned in common, say, by all the members of the political society. St. Thomas writes: "Communitas rerum attribuitur juri naturali, non quia jus naturale dictet omnia esse possidenda committer, et nihil esse proprium possidentum; sed quia secundum jus naturale non est distinctio possessio... unde proprietas possessionum non est contra jus naturale, sed juri naturali superadditur per adventionem..."

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(1) Rerum Novarum, 5.
rationis humanae." (1) The logical consequence of the divine order is that every person, because he is a member of the human species, has the right to draw advantage from material things, has a general right of appropriation over material things.

"For God has granted the earth to mankind in general; not in the sense that all without distinction can deal with it as they please, but rather that no part of it has been assigned to any one in particular, and that the limits of private possession have been left to be fixed by man's own industry and the laws of individual peoples." (2) This illustrates the first of the three stages which St. Thomas presents in his doctrine of private property. According to St. Thomas, the second stage is that appropriation takes place through individual ownership, which is established by natural reason. (3)

Is there in human nature any element on which the right of private property can be based? J. Maritain, in his book 'Freedom in the Modern World', following the principles of the Thomistic philosophy, shows clearly on what the right of private ownership is based. He writes: "The general postulate we are seeking follows in our view from the activity of man as maker, - or as an artist in the broad sense of the word - an activity which springs from the very essence of human personality.

(1) Summa Theol., II-II, 66, art. 2 and 1.
(2) Rerum Novarum, 7.
The notion of 'person' must therefore, be included in any complete theory of property; since the 'person' is the proper subject of intellect in operation." (1)

As we have already said, all things apart from man are to serve the needs of man. But these things do not serve man of their own accord; man has to get hold of them and make them suitable for his use. This is where the question of private ownership comes in. Man is a person possessing intellect and will. Through his activity and work man subjects matter to the forms of reason. It is man's intelligence that guides him to the production of things necessary for life. Now it logically follows that what is the product of the spiritual faculties, which make up man's personality, are subject to appropriation by man. Leo XIII confirms this doctrine when he writes: "When man thus spends the industry of his mind and the strength of his body in procuring the fruits of nature, by that act he makes his own that portion of nature's field which he cultivates - that portion on which he leaves, as it were, the impression of his own personality; and it cannot be but just that he should possess that portion as his own, and should have a right to keep it without molestation." (2)

A psychological analysis of man's nature also proves that

(2) Rerum Novarum, 7.
the institution of private property is natural. Man's nature possesses the natural capacity of self-expression and development with its needs and drives. Therefore man has the right and the duty to secure for himself all that is necessary to enable him to lead an existence consonant with his dignity as a human being. Man has the right to live, therefore, he must have the right to procure the goods necessary for his sustenance. This demands security, which can be achieved only through the possession of private property. If man by nature needs something, by the same nature he has the right to the ownership of it.

The life of man in this world is subject to many vicissitudes, namely, ill health, old age, accidents, etc., and in order to be able to provide for his uncertain future, to economize for a 'rainy day' man must have the right to possess not merely consumptive, but also productive property.

Even the very attainment of man's eternal happiness, very frequently depends on the possession of some kind of private property for a decent living. "God has ordained the temporal and eternal development of every person form one continuous growth, beginning in time and extending into eternity. In addition, he has made every person's claim to eternal happiness depend on correct and virtuous conduct during life. But, vast numbers of persons find correct and virtuous conduct very difficult, and in some instances,
apparently impossible, because they are forced to eke out a living at the plane of animal existence." (1)

Man is a social being, and the foremost social relation into which he enters is the family. "It is a most sacred law of nature", writes Leo XIII, "that a father must provide food and all necessities for those he has begotten; and, similarly, nature dictates that a man's children, who carry on, as it were, and continue his own personality, should be provided by him with all that is needful to enable them honourably to keep themselves from want and misery in the uncertainties of this mortal life. Now, in no other way can a father effect this except by the ownership of profitable property, which he can transmit to his children by inheritance." (2)

That is why the Romans called private property 'res familiaris', the substance of the family. True, property may be held by the individual for himself; but any large accumulation of it is commonly held by the head of a family, actual or potential, for the family. The individual cherishes property for the sake of his family as much as, or even more than, for his own sake.

The natural right to private property is also proved by the so-called sociological or expediency argument, namely, its necessity for public prosperity, for the conservation and increase of wealth, for an adequate incentive to work, for self-reliance, and so forth.


(2) Rerum Novarum, 10.
Without private property man loses interest, becomes uncooperative, feels no incentive for progress. Private property is necessary in human life, writes St. Thomas, and this for three reasons: "Primo quidem, quia magis sollicitus est unusquisque ad procurandum aliquid quod sibi soli competet, quam id quod est commune omnium vel multitum; quia unusquisque laborem fugiens, relinquit alteri id quod pertinet ad commune...: alio modo, quia ordinatius res humanae tractantur, si singulis imminet propria cura aliquid, rei procurandae;... tertio, quia per hoc magis pacificus status hominum conservatur, dum unusquisque re sua contentus est." (1) History and experience shows that economic progress is possible only by conceding to individuals the right to own property permanently. An analysis of the motives of human actions confirms this conclusion. A person will work to the limit of his capacities, if he is certain that he can keep the fruits of his labour. If the products of his work are distributed among strangers, he will content himself with a minimum of effort. Daily experience tells us that a better order in society is secured when each man is charged with taking care for some particular thing himself. It is sufficient to consider the behaviour of the inmates of a boarding-school, or an army camp, where things are not regarded as private property to be convinced that man does not care much for what does not belong to him.

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(1) Summa Theol. 11-11, 66, art. 2,3.
Again we have the common consent of mankind, which in matters of social and moral importance is always convincing. With regard to private property we have the universal agreement that private ownership is natural to man. All mankind acts in such a manner as to leave no doubts regarding their concept of ownership.

The third stage of St. Thomas is that the right to the ownership of a particular thing, though exclusive is not absolute, and is subject to change. Legislation or custom cannot abolish such a right; however they can regulate the exercise of it according to the demand of the common good.

Both Leo XIII and Pius XI declare that private ownership has a twofold aspect, individual and social. They make a clear distinction between the right of ownership and the proper use of material things. The limits of the right are fixed by strict justice; the limits of its proper use are determined by certain other virtues (charity).

What we said so far regards the individual aspect of private ownership. But man is by nature not only an isolated individual, not only a member of a family; he is also a member of a community, of a state. Here the social aspect of things come into play.

We have already said that man's individual right to the ownership of his property is exclusive, and also that this does not mean that this possession is unlimited and without control. St. Thomas says: "The possession of riches is not in itself unlawful
if the order of reason be observed: that a man should possess justly what he owns, and use it in a proper manner for himself and others." (1) Pius XII reasserting the same principle says: Undoubtedly the natural order, deriving from God, demands also private property and the free reciprocal commerce of goods by interchange and gift, as well as the functioning of the State as a control over both these institutions. But all this remains subordinated to the natural scope of the material goods and cannot emancipate itself from the first and fundamental right which concedes their use to all men; but it should rather serve to make possible the actuation of this right in conformity with its scope." (2)

Since the institution of private property is not an end but a means, one may not use it without keeping its social aspect in mind. Property is not a mere aggregate of economic privileges, but a responsible office. Its raison d'être is not income, but service. In one word we may say that a property owner is a trustee. Property ownership is moral right, and as such is subject to moral law. Leo XIII writes: "It is one thing to have a right to the possession of money", this right is not disputed, "but it is another thing to have a right to use money as one pleases", and this right is absolutely denied. And, quoting St. Thomas, he continues: "Man should not consider his outward possessions as his own - writes a great

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(1) Contra Gentiles, 111, c. 123.

(2) Pius XII, Discourse to Commemorate the 50th Anniversary of the "Rerum Novarum". Cfr. Naughton J.W., Pius XII on World Problems, Page 106.
Doctor - but as common to all, so as to share them without difficulty when others are in need." (1) Then the Pope explains how it is quite clear that no one has the obligation to distribute to others what he needs for himself and those of his family, now even to give away what is reasonably required to live becomingly according to his position in society. But when the necessities have been supplied, and one's position in society fairly considered, it is a duty to give to the indigent out of that which is over. This is not a question of reducing all men to a common level of wealth. "God, who provides for all with counsels of supreme bounty", writes Pius XII, has ordained that for the exercise of virtues and for the testing of one's worth there be in the world rich and poor." However, he continues, "He (God) does not wish that some have exaggerated riches, while others are in such traits that they lack the necessities of life." (2)

The doctrine of Leo XIII, previously mentioned, is applied by Pius XI to our modern industrial conditions. The Pope declares that the investment of superfluous income in searching favourable opportunities for employment, provided the labour employed produces results which are really useful, is to be considered, according to the teaching of the Angelic Doctor, an act of real liberality particularly appropriate to the needs of our time. (3)

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(1) Rerum Novarum, 19.

(2) Sertum Laetitiae. (Cfr. Naughton J., Pius XII on World Problems, p. 107.)

Utilization of property regardless of the interests of others and to the detriment of the rights of others is contrary to the Social nature of the institution. And both Leo XIII and Pius XI confirm that it is a duty of the civil society, whose task is to provide for the material welfare and prosperity of its subjects, to regulate private property to the common good. Therefore, the government may, and sometimes must, adopt certain measures with reference to private property.

The government is obliged to use its power to remove the major social evils which accompany private property, for example, speculation on land situated on the outskirts of big cities, and which is necessary for building homes; to protect its subjects from being exploited by unscrupulous industrialists. The government has the duty to control unlimited economic competition. We will return on these points when dealing with economic liberalism. The government also should see to it that a better and wider distribution of private property be realized. In the section 'Reconstruction of the Social Order' this matter will be more thoroughly discussed. In this way the participation of the citizens in the wealth and natural resources of the nation will be insured.

In all Christian countries the principle that the right to life of those in extreme need is superior to the unrestricted rights of the well-to-do people, is accepted. Thus taxes are collected from
those who can pay them; and everybody knows that part of this money is used to support orphanages, homes for the mentally defective and the needy aged. Also in name of the principle that the part is servant to the whole, the state has the right in case of national emergencies, as in time of war, to impose special taxes.

There are limits, however, beyond which the state may not interfere with the freedom of private property. Man and family are prior to the state; and have rights that the state cannot abolish. The power of the state is limited by the same moral law that justifies its existence. "The right to possess private property", says Leo XIII, "is from nature, not from man; and the state has only the right to regulate its use in the interests of the public good, but by no means to abolish it altogether." (1) Therefore it logically follows that it is absolutely unlawful for the state to exhaust private possession by an excess of taxes and tributes. The state's restrictions should not prevent individuals from securing and possessing external goods, or from transmitting them by inheritance.

I would like to conclude this first part of the dissertation by quoting a passage written by J. Maritain in explaining the teaching of St. Thomas regarding the problem of private property, because it contains the most fundamental ideas about the subject we have so far discussed. "In the matter of property, St. Thomas teaches, as we know, that, on the one hand, primarily by reason of the needs of
human personality considered as working in and elaborating matter subjecting it to the forms of reason, the appropriation of such goods should be individual or private, since without it the working activity of the person would be hindered; but that, on the other hand, by the primal destination of material goods for the benefit of the human species, and the need which has of such means in order to direct himself to his final end, the use of the goods which are individually possessed should serve the common good of all. 'Quantum ad usum non debet homo habere res exterieores ut proprias, sed ut communnes.' (Summa Theologica 11-11, 66, 2) This second aspect was entirely concealed in the epoch of liberal individualism and one may hold that the violent reaction towards the state socialism which see around us today will recall to man's minds the thing they have forgotten: the law of common use." (1)

(1) Maritain J., True Humanism, page 178
The problem of labour is linked with that of private property because labour is connected with the right that God gave man to a proportionate use of the goods of the earth, and because, in the economic system of our time, it is the only way by which most of people can get the means in order to be able to use such goods. The problem, therefore, is of paramount importance. Its importance was emphasized by Pius XII in a speech to Italian workers, delivered in June the 13th, 1943. Labour, he said, "because of the complexity and variety of the problems which it entails and the vast number of people it involves, is of such a kind and of such urgent importance as to merit closer, more watchful and more farseen attention. It is a question of peculiar delicacy, the nerve center, one might call it, of the social body."

But, before we deal with such problem, we have to analyse briefly the nature of capital, because both labour and capital are connected with one another.
Capital is a form of wealth produced by man, to be used for the production of other wealth. We know that in production man's labour is made more efficient by the use of capital. A workman does his work better if he has a tool in his hands with which to do the work. The tool is the capital. Wealth is produced in greater abundance by its use. Consequently capital is of great importance in the efficient production of goods. The purpose of capital should be that labour be made more efficient; and labour should engage capital to aid it in its work. In modern economics, however, too frequently, the owners of capital engage labour only in order that capital may be more efficient. This situation has to be re-arranged, otherwise our economic order will cause disorder and human unrest.

Capital should have a social function. The economic system of our times, namely, capital-labour regime, is not to be condemned in itself; but it violates the rightful order whenever capital hires labour under such conditions that business and economic life are turned to its own will and advantage, while the dignity of the labourers, the social character of economic life, as well as social justice and the common good, are not taken into consideration, or, which is worse, are held in contempt.
Labour is as old as the human race. Mankind in general has a duty to work. God has provisioned the earth for man's needs; but these resources usually require the application of human labour. Ordinarily a man can support himself and his family only by the fruit of his labour. It is this natural requirement for man to work that gives rise to the economic world.

Labour is not an evil. It should be remembered that without some form of work a man cannot develop his faculties and serve the purpose of his life, and that work, whether intellectual or manual, is the instrument of civilization. However, since the Industrial Revolution false theories have sprung up about work. Because of the introduction of machinery and the loss of ownership on the part of the labourer, his interest in his work has lessened and in many instances disappeared. The labourer is often regarded as representative of the lowest class, an attitude that lead to a system of caste and division unhealthful from the point of view of peace and democracy. Labour, far from being an evil, is an honourable vocation; and it is quite possible to perform an useful and respectful function in society by working at the humblest of trades. The norm of the value of a man is not the work he does, but virtue.
The general source of the increase of wealth in this world is human labour. "The wealth of states is produced in no other way than by the labour of the workingman" write both Leo XIII and Pius XI. To labour other factors must be added, namely, machinery and the resources of nature, created by God; and it is only in the combined operations of these that labour created wealth. In the old days of the Mediaeval handicrafts, the three factors were generally combined in one individual or household, and undoubtedly in such instances ownership of the product belonged to the master craftsman. Today the situation is quite different: the labourer works with machinery and on raw material that belong to another. Economic production, therefore, takes place by what Pius XI calls an alliance between a man's labour and his neighbour's property. "This is what Leo XIII had in mind when he wrote 'Capital can not do without labour, nor labour without capital.' It is, therefore, entirely false to ascribe either to capital alone or to labour alone whatever is obtained by the combined efficiency of the two; and it is altogether unjust that either should deny the efficiency of the other and arrogate the entire production to itself." (1)

Labour, as it is an expenditure of personal energies, always has a personal character; but it has also a social one. Society

(1) Quadragesimo Anno, 53
as well as the individual would succumb without the support of human labour. Hence a very important consequence follows, namely, the responsibility for upholding the proper conditions of labour and of the workers is not only individual, but also social. Pius XI stresses the importance of this consequence, saying: "Human labour, therefore, cannot be justly appraised or equitably recompensed if its social and individual character be overlooked." (1)

The divine order of things is that the goods of the earth provide for the needs of all men. Nowadays, however, most of the productive property is owned by a minority. How, then, can the property less great masses of people supply their needs? The only way is by entering into an agreement with those who control productive property. Through such an agreement in society arises a condition in which capital and labour unite to produce wealth. Here the question naturally arises how must the wealth produced by the joint efforts of capital and labour be shared by the two groups.

We have already said that since man is a person, through his work he impresses his own personality on what he produces, and that, therefore, what he produces is subject to appropriation by him. In the present system, however, the labour of the worker is not the only factor in the production of wealth; there is the contribution of the labour, physical or mental, of others, which must

(1) Quadragesimo Anno, 69.
be taken into consideration. In the present economic system there is a tendency to consider labour as a piece of merchandise. However, we have to point out that in the labour contract it is not the labourer as a labourer that is hired, but only his ability to work. In the contract the labourer retains all his prerogatives, his personality, and so forth. Therefore, hired labour does not lose its personal character and its right to a share in what it produces. The share here is the remuneration in money, which the employer agrees to give to the worker. It is this contract, which in its nature is not unjust, between the employer and the employee that constitutes the labour and wages problem.

Since in industrial life it is through wage savings that the worker can become an owner, the question that arises is what is a just wage. Pius XI writes: "In estimating a just wage, not one consideration alone, but many must be taken into account. According to the wise words of Leo XIII: 'Before deciding whether wages are fair, many things have to be considered.' In this way he refuted the irresponsible view of certain writers who declare that this momentous question can be solved by the application of a single principle, and that not even a true one." (1) (The Pope here refers to those who maintain that hired labour has the right to demand the whole that it produces.)

(1) Quadragesimo Anno, 66, 67.
The first thing to be considered is the nature of the agreement between the worker and the owner of productive property. The Agreement must be equitable and freely made, which words must be carefully noted. (1) If a worker is forced by dire necessity or fear of a worse evil to accept hard conditions because an employer will give him no better, the agreement is not equitable as the worker has no moral freedom; he is the victim of fraud and violence.

The second thing to be considered is the purpose for which one labours, namely, to provide what is necessary for the needs of life and especially for self-preservation. "In the sweat of thy brow shalt thou eat bread." (Gen. III - 19.) Therefore, as Leo XIII teaches, in the labour of man we have to distinguish two notes, namely, that it is personal and necessary, for such a distinction is absolutely necessary in the estimation of a just wage. No better words can be used to explain those two notes of labour than the words of Leo XIII himself. "First of all, it (labour) is personal; for the exertion of individual power belongs to the individual who puts it forth, employing this power for that personal profit for which it was given. Secondly, a man's labour is necessary; for without the results of labour a man cannot live; and self-conservation is a law of nature, which is wrong to disobey. Now, if we were to consider labour merely so far as it is personal,

doubtless it would be within the workman's right to accept any rate of wages whatever; for in the same way as he is free to work or not, so he is free to accept a small remuneration or even none at all. But this is a mere abstract supposition; the labour of the workingman is not only his personal attribute, but it is necessary; and this makes all the difference. The preservation of life is the bounden duty of each and all, and to fail therein is a crime. It follows that each one has a right to procure what is required in order to live; and the poor can procure it in no other way than by work and wages." (1)

The two afore mentioned notes are characteristics of the individual aspect of labour. But labour has its social aspect as well; "for.... unless, above all, brains, capital and labour combine together for common effort, man's toil cannot produce due fruit." (2)

Now we may proceed to the estimation of a just wage. What is a just wage? It is the wage which is sufficient for the support of the worker himself and any legitimate dependent, namely, his family, in reasonable and frugal comfort. We said a just wage is a living family wage, because the family wage enters in the full concept of a just wage. The right to a family wage is based on the fact that a family is an essential need of the normal man,

(1) Rerum Novarum, 34.
(2) Quadragesimo Anno, 69.
and that wife and children by nature depend on the father of the family. It is in order to get the necessaries of life that the worker gives his day's work; and the exchange is one of commutative justice. A family wage should be sufficient for a man to found a home, meet ordinary domestic expenses, provide for the proper education of his children; it should also give the family the opportunity of some recreation and a convenient provision against disease, accidents, etc. A wage which is inadequate to secure all these things to the labourer and his family falls below the level of a living wage. (1) A family wage is the minimum amount due to every worker, a minimum amount which is absolutely necessary in order that a man be able to develop both the physical and spiritual potentialities that God gave him, namely, the capacity to grow physically, to think, to know, to live at a level absolutely above the plane of animals, and a capacity to enjoy everlasting happiness. We know that the development of both kinds of potentialities is determined to a very large extent by material environment, which, in the case of the worker is determined almost entirely by income.

The results of an inadequate family income are disastrous and numerous. Results of dire poverty will be an unattractive home which will fail to keep husband, wife and children united during

(1) Cfr. Ryan J., A Living Wage, p. 103 (Chapter V)
their leisure hours; lack of housing facilities, malnutrition; no opportunity for the children of learning to appreciate the good and beautiful, who, therefore, will be forced to make the street or the alley their playground and bad companions their playmates.

"Everybody agrees that a poor physical vitality deadens the mind to cultural influences and reduces the moral resistance of the will, according the old saying: 'it is hard for an empty sack to stand upright'. This is true especially in the case of children. Records show again and again that boy and girl delinquents 'never had a chance', and that they sought food, recreation, etc. in unlawful ways because their homes were unable to provide them with these necessities." (1) Our christian principles do not demand a luxurious home for the worker and his family, but at least a decent home. A decent poverty does not degrade the human person. Jesus Christ was a poor Child, but not a slum Child, because he does not wish slums to exist.

Pope Pius XII again and again repeats the arguments of both Leo XIII and Pius XI for the necessity of just wages, not only for the personal needs of the worker, but for the family so that parents can fulfill their duty to rear healthly nourished and clothed children; for a dwelling worth of human person; for securing a sufficient and becoming education and for the time of stress,

sickness and old age.

Another terrible consequence of an inadequate family wage is child and woman labour. On this matter Pius XI writes: "It is right indeed that the rest of the family contribute according to their power toward the common maintenance, as in the rural home or in the family of many artisans and small shopkeepers. But it is wrong to abuse of the tender years of children or the weakness of women." (1) In regard to children they should not be placed in workshops and factories, until their bodies and minds are sufficiently mature. "For just as rough weather destroys the buds of spring, so too early an experience of life's hard work blights the young promise of a child's power, and makes any real education impossible." (2)

In regard to mothers' labour Pius XI condemns it with vigorous words: "Most iniquitous, and to be removed with the utmost endeavour is the abuse whereby mothers of family, because of the insufficiency of the father's salary, are forced to engage in gainful occupation outside the domestic walls to the neglect of their own proper cares and duties, particularly of their children." (3) How can a mother, who is occupied all day from home perform her family duties and give adequate care to her children? Often in such a case the home will be used only as a place in which to eat

(1) Quadragesimo Anno, 71.
(2) Rerum Novarum, 33.
(3) Quadragesimo Anno, 71.
and sleep. Poor health, broken home, infant mortality, juvenile delinquency are frequent results of such a practice. Again, in these days the temptations for a married working woman to practice birth control are very strong.

We have to add here that there are other considerations, which enter in determining a just and larger wage, namely, special knowledge or training required for the work, greater risks, and special services. The more abundant the production is, when it is due to the combined efforts of all employees, it entitles all to a proportionate share in the surplus wealth that accrues. But in no circumstances is it just to give less than a normal wage. And Pius XI answers some difficulties which may be aroused against a just wage. If the business, he says, makes smaller profits on account of poor management, etc., this is not a just reason for reducing the workman's wage. And also he gives the rules to be applied in case that conditions become extreme. (1) If the individual employer is not able to pay a just family wage, social justice then obliges the state to plan reforms in the economic field that will make that payment possible. When we see that a startling amount of money is spent in luxuries each year (in the United States of America, e.g., billions and billions are spent yearly in such way), how can the objection to the adequate family wage, because

the national income is too small, stand? The truth is that there must be something wrong in the economic system of the nation. Even admitting that half of the amount of money spent in luxuries, be necessary for reasonable comforts, there still remains a large amount, which might be released toward the payment of family wages. That is why Pius XI declares that it is the duty of the state to set up such "economic and social methods" as to secure at least the minimum of comfortable living for all workers and their families.

Another, and a very important factor in determining a just wage is the exigencies of the common good, namely, as the 'Quadragesimo Anno' suggests, the wage scale must be regulated with a view to the economic welfare of the whole people. It is important that opportunities for work be provided for those who are willing and able to work. This depends in large measure upon the scale of wages, which multiplies opportunities for work as long as it remains within proper limits.... A rate of wages too low, no less than a rate excessively high, causes unemployment," (1) which in its turn causes misery to the workers, ruins the prosperity of nations, and endangers public order and peace.

Of course there is always a great temptation on the labour side to ask for higher and higher wages especially when it is influenced by the dangerous philosophy of individualism, and to

(1) Quadragesimo Anno, 74.
strike as soon as it has a favourable opportunity to enforce its demands. In regard to this danger it is proper to quote another consideration offered by Pius XI, who writes: "The conditions of any particular business and its owner must also be considered in settling the scale of wages; for it is unjust to demand wages so high that the business cannot pay without ruin to itself and consequent distress of the workingmen." (1)

Questions of doubt and of dispute are likely to arise as to how to determine a just wage. Then, first of all, both labour and management should strive with joint efforts to overcome all difficulties and troubles. But, if they fail to come to an agreement, then the duty of arbitration rests upon the state, and when the common good is truly threatened or it is not being realized, the state not only may intervene, but it is its duty to do so.

Other matters that demands the intervention of the state is the determining of the maximum of working hours, days of rest, and so forth. The state, however, should not forget that there is a fundamental restriction of its intervention in such disputes. It may not intervene when it pleases, but, as we have said, when the need occurs, only then and not otherwise, and in relation to the true needs of the common good.

From our discussion of the problem of labour and wages follows

(1) Quadragesimo Anno, 72.
a conclusion, which, in our days of materialism, needs to emphasized, namely, that social order and peace is the fruit of the perfect harmony of all the parties involved, which harmony can be made possible only through the acceptance of Christian principles. Order, as St. Thomas defines it, is unity arising from the apt arrangement of a plurality of objects. Hence a true social order demands that various members of society join together by a common bond; not the bond of philanthropy or humanitarianism, but the bond of charity, based on the equality of the dignity of all human persons, which are created at the image of God, and which have a supernatural destiny, as heirs of God, and joint heirs with Christ. (Rom. VIII-17.)
III

THE ENemies OF PRIVATE PROPERTY

ECONOMIC INDIVIDUALISM and

COMMUNISM

Discussing the question of private ownership we emphasized its twofold character, namely, that it has both an individual and social function. That twofold purpose, for which God created material goods on earth, cannot be attained unless some definite order be maintained. It is from the fact that such a definite order was not maintained that two very dangerous theories of private property, opposite one another and both opposite our Christian concept arose. The denial or overlooking of the social character of ownership leads to Economic Individualism, and the denial or overlooking of its social character necessarily leads to Socialism and Communism. Our purpose here is to show the falsity of these two theories and prove that they cannot procure the common good, peace and order in society.

ECONOMIC INDIVIDUALISM

The terms 'Liberalism', 'Economic Individualism', and 'Capitalism' strictly speaking are not synonymous with one another. Individualism
has its origin from Liberalism, and Capitalism, as it exists today, is a result of economic Individualism. The capitalistic spirit, however, as we shall see, had developed before economic individualism came into existence, and was in fact one of the factors which gave rise to it.

Liberalism, as the term itself tells us, is a philosophy of freedom. It is a derivation from the Rationalism of the 18th century, which taught that man himself, independently of God and religion, must work out his happiness. Liberalism maintains that human nature, in order to be able to reach full development must necessarily be free of any restraints, which affect the spontaneous expression of human activity.

Economic Individualism is nothing else than the application of liberalism to economics.

In order to understand the origin of economic individualism we must consider its historical background. The starting point was the Industrial Revolution, with its invention of steam power and its application to industry, use of machine in large scale and the rapid growth of mechanical inventions. All this had great influence on man's industrial life and his home life as well. Commodities unknown before are now produced in great quantity; machinery performing heavy labour; and the workers attaining much greater speed in production because of simpler process. Hence more products and more money.
The Industrial Revolution was not an evil; any material 'progress' is always good. It is its spirit which was evil. The capitalistic 'profit motive', as the supreme end of industry had already put deep roots. The protestant reformation had divided Christianity. This unfortunate event was the reason why the voice of the Church, which might have directed the growing industries to the common good of all, was not heeded by a great part of Europe. Craving for riches became a religion, and money was worshipped in the place of God. "Indeed, it was with the plunder of the Church's own guilds, churches, and monasteries that this movement may justly be said to have taken its earliest beginning. The wealth of the institutions which formerly had been devoted to religion and the poor, now ultimately want, in the main, to swell the fortunes of individuals. A new class of predatory rich was created in many countries." (1) The circumstances in which such revolution took place are examples of the most deplorable and pitiful human exploitation. The great quantities of money necessary for the new industrialism were partly secured previously by plundering, as we said, the properties of the churches and monasteries, and by military expeditions and colonial exploitations. The forced and slave labour to which the European conquerors subjected the natives were inexhaustible sources of wealth. It was then that the new 'profit system' began, and which was later increased by the lucrative slave trade. The same spirit of profit through forced

and slave labour, which developed abroad, was soon applied and developed at home. The large masses of indigent population were immediately absorbed by the new industrial life. The disgusting conditions to which the workers, especially women and children, were subjected are well-known. Children (frequently many of them were not ten years old) of pauper parents were 'farmed out' to factory owners on terms that amounted to slavery, unprotected even by the "property interest" that mitigated the rigors of true slavery, and were worked to death. (1)

These hideous conditions lasted for more than half a century in England, but were gradually bettered through the agitation of reformers and the awakening of public conscience. It was when the public conscience awakened, when the workers made efforts to defend their rights and appealed to the government to protect them against the brutal exploitation of the industrialists, that the philosophy of economic individualism sprang up, a doctrine that rejects all christian principles and worships wealth instead of God. Its slogan is "laissez-faire", let things take their course. Hence it rejects any social authority between the individual and the civil power; it maintains the necessity of unrestricted competition in the field of economics in order that greater progress and happiness be possible; it declares that any regulation of competition imposed upon business from without, any doctrine in respect to wages, prices, and so forth,

will hinder natural progress, and that there exists no better way
to develop the best use of material resources than the struggle be­
tween individuals. The state by regulating private incentive, stifles
self-interest, which is the strongest motive to work. The only duty
of the state is to see that the bargain, supposed to have been
freely contracted, between the individual poor worker and the indi­
vidual millionaire employer is not violated. This economic indi­
vidualism was fostered by the writings of A. Smith, and James Stuart
Mill, and was spread by the Manchester school. Such was the philo­
sophy universally accepted, a philosophy which succeeded in enslaving
the state to those who control the economic power in society. "It
was the Darwinian struggle for existence turned into an accepted
philosophy of life, with a stoic disregard for the world of misery
and human suffering that it entailed." (1) The labourer, it is true,
was free to accept or reject the contract offered to him. But he
knew that many others were waiting to accept his job should he refuse
it. Therefore, only two ways were opened to him: either to accept
'the free contract' offered to him, or starve. Labour unionism
might have improved the situation, but it was legally forbidden,
while the state might not intervene on behalf of the workers.

Capitalism "is the economic system which has resulted from the
application of liberalism and individualism to the social order.

Capitalism is a system in which the function of work is separated in its representatives from the function of capital. It is an economic regime in which the men who work at production are distinct from the men who furnish the material, and in which this functional and personal distinction is widespread and goes on increasing. It is the regime distinctive of the nineteenth and twentieth centuries, marked by intense development of the salary system on the one hand and concentration of capital on the other. (1) Since the Church tries to improve the modern method of salary-capital system, it is clear that capitalism is not in itself immoral. What the Church condemns is the philosophy of liberalism as applied to the technique of capitalistic production.

Though the evils brought about in society by economic individualism have not been completely cured, we can say that its golden age has passed. And this must be attributed to a very large extent to the relentless attacks of the Church, and especially of one of its greatest leaders, Leo XIII. It was after the doctrine of the 'Rerum Novarum' spread throughout the world, that the leaders of the nations became, at last, more conscious of their obligations to work to promote a better social order. I think it is our duty to pay here a tribute to the great Leo XIII, using the words of Pius XI himself, who writes: "While the tenets of liberalism which had long

hampered effective interference by the government were tottering, the Encyclical 'Rerum Novarum' prevailed upon the peoples themselves to develop their social policy intensely and on truer lines, and encouraged leading men among Catholics to give such efficacious help and assistance to rulers of the state that in legislative assemblies they were not infrequently the foremost advocates of the new policy. Furthermore, not a few recent laws dealing with the social questions were originally proposed to the suffrages of the people's representatives by ecclesiastics thoroughly imbued with Leo's teaching, who afterwards with watchful care promoted and fostered their execution." (1) "But what should be especially noted" writes J. Husslein "is the fact that the brave and uncompromising stand taken in defence of outraged justice and truth by the Holy See, in the days of Leo XIII, called then for a degree of heroism which few will appreciate today. The principles so heroically maintained by the Catholic Church at that early period are now widely recognized in theory at least if not in practice. It is to the honour of the great Pontiff that he stood forth bravely, a leader of leaders in the vast struggle for the rights of the oppressed and the exploited, and so deserved the glorious title he will forever bear in history, 'The Pope of the Workingmen.'" (2)

(1) Quadragesimo Anno, 27.
We have said that the evils of economic individualism have not completely disappeared. In fact economic conditions of our own time are still far away from perfection. Many property owners do not accept the principle that property has also a social function to perform, that it exists also for the common good. In some cases the state is still the slave of the big money owners; and in the name of 'freedom' many abuses and injustices are still committed.

The duty of the state implies much more than merely acting as a policeman; it has a positive obligation to procure the common good and protect the natural rights of all citizens. This derives from the fact that the state is demanded and, therefore, justified by the natural law. A few words will convince us that the civil society is required by nature. The human person "is a whole, but it is not a closed whole, it is an open whole... It tends by its very nature to social life and to communion. This is true not only because of the needs and the indigence of human nature, by reason of which each of us has need of others for his material, intellectual and moral life, but also because of the radical generosity inscribed within the very being of the person, because of that openness to the communications of intelligence and love which is the nature of the spirit, and which demands an entrance into relationship with other persons." (1) Thus society is born in order to

enable all men to enjoy necessary material, moral, etc., goods of life, and to give to each and all the opportunity to acquire these for themselves according with their abilities and efforts. But society cannot exist unless governed by definite authority. "Si ergo naturale est homini quod in societate multorum vivat, necesse est in hominibus esse, per quod multitudo regatur." (1) It is the presence of authority in society, which immediately constitutes 'the state'. Hence the state exists for this purpose, to foster the good of all and of each, which constitute the common good. It is because of this requisite of natural law that Pius XI, following the example of his predecessors, again reminds the state of its duty to intervene in economic affairs when the common good is not realized, and He strongly deplores the fact that the state allows itself to be enslaved by those who control money: "The intermingling and scandalous confusing of the duties and offices of civil authority and of economics have produced crying evils and have gone so far to degrade the majesty of the state. The state which should be the supreme arbiter, ruling in kingly fashion far above all party contention, intent only upon justice and common good, has become instead a slave, bound over to the service of human passion and greed."(2)

The material goods of the earth are to serve the needs of all. But when personal gain is put ahead of the common good, without any

(1) St. Thomas Aquinas, De. Regimine Principum, I, 1, c.1.
(2) Quadragesimo Anno, 109.
respect for the rights of others the result will be unbridled conflict and class warfare destructive of the right order. The state will attain the purpose of its own raison d'être by establishing the right conditions of peace and order and of general opportunity in order that each individual citizen may get the rightful goods by his own initiative in a degree that is compatible with the opportunity and initiative of all the others. Free competition is a useful thing when confined within proper limits; but it cannot direct the economic life of a nation, and unless the state be watchful, it will turn into a cruel and savage struggle in which only the stronger will survive.

It is also a duty of the state to protect the human dignity of the workers and see to it that their physical strength is not abused. What Pius XI calls "callousness of employers" is not a phenomenon restricted to the last century; it is still existing and is being put into practice in our time too. The dignity of man because of his spiritual life is so great that God himself treats it with reverence. Therefore no employer, no matter how powerful and rich, may presume to outrage it. Man has personal rights that the individual himself cannot give up, e.g., in accepting conditions of work that interfere with them. They are God's rights, not his. Man, says Leo XIII, "cannot give up his soul to servitude."
The physical strength of the worker has limitations, and due regard must be paid to it. The condition and duration of the work should not wear the worker out. The more exhausting the work may be, the shorter also should be the time of toil, admitting adequate rest. "It is neither justice, nor humanity" writes Leo XIII, "so to grind men down with excessive labour as to stupefy their minds and wear out their bodies. Man's power like his general nature, are limited, and beyond these limits he cannot go. His strength is developed and increased by use and exercise, but only on condition of due intermission and proper rest... How many and how long the intervals of rest should be, will depend upon the nature of the work, on circumstances of time and place, and on the health and strength of the workman." (1) It is only too true that even today some industrialists are very cruel towards the workers, and that their motto, as G. K. Chesterton writes, is "Do not knock the off the slave; knock the slave until he forgets the fetters." (2) The common good, therefore, requires that the state by means of proper laws uses its power to crush the inhumanity of unscrupulous employers, who, as the Rerum Novarum says, "treat men like chattels by which to make money", or look upon them "merely as so much muscle or physical power." The worker should be given "the opportunity of leisure which is not only intended to recreate

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(1) Rerum Novarum, 33.

(2) Chesterton G. K., What is Wrong with the World, p. 27.
the mind and body, but also to bring him back into contact with family life and natural associations, and which above all other things should enable him to worship God, to keep in touch with the invisible, the supernatural, the Divine Source and Ultimate End of all his being." (1) Hence follows the obligation of the cessation of work on Sundays and other certain days. The Sunday rest is the rest of the Lord’s own day, the rest linked with love and worship, the rest that humanizes man. It is only by accepting the principle of natural law that private property exists also for the good of all the members of society that the use of technical progress will aim not only at the 'maximum profit', but also at the betterment of the personal conditions of the worker.

The title of this section claims that economic individualism is an enemy of private property; and I think that our discussion has justified such a claim. There is much truth in the following words of G. K. Chesterton, which words will serve also as conclusion:

"Property is merely the art of democracy. It means that every man should have something that he can shape in his own image, as he is shaped in the image of God, his self-expression must deal with limits; properly with limits that are strict and even small. I am aware the word 'property' has been defiled in our time by the corruption of the great capitalists. One would think, to hear people talk, that the

Rothschilds and the Rockefellers were on the side of property. But obviously they are the enemies of property; because they are enemies of their own limitations.... When they remove their neighbour's landmark, they remove their own." (1)

COMMUNISM

The second enemy of private property is Socialism, whose philosophy is directly opposed to that economic individualism. It denies the individual character of ownership, and claims to be directed toward an economic betterment in society. We saw how public conscience reacted to the abuses of economic individualism. Such a reaction was in itself wholesome; nevertheless it turned out to be disastrous because it was misled, and thus became a fertile field for Socialism.

The economic theory of Socialism may be defined 'the common ownership by all the people of all the means of production.' At the time of Leo XIII, Socialism could fairly be termed a single system, and it defended definite doctrinal tenets and formed them into a compact body. But things have changed since then. Nowadays we have several forms of Socialism; they range from a very mitigated

(1) Chesterton G. K., What is Wrong with the World, pp. 58-59.
form, considered by Pius XI as hardly different from the same
Christian principle of a reasonable limited state ownership, to
the most tyrannical communism, detestable in its class warfare,
abolition of private property, violence, and open hostility to
the Church and to God. Of it Pius XI writes: "Communism teaches
and pursues two things, not secretly or by hidden means, but openly
and frankly, and by the very use of every means, even the most
violent, bitterest class warfare and complete abolition of private
property. In the pursuit of these aims there is nothing it does
not dare, nothing it fears...." (1)

It is not our purpose to discuss Socialism in all its forms
and principles. We should not, however, pass over the Marxian
Socialism, because it is the father of Communism. The starting
point of Communism is Marx's materialistic theory of 'History',
which (for Marx) is the activity of man in the pursuit of his ends.
The Marxian theory denies the true freedom of the human will, claims
a necessary evolutionary development of all things and ascribes
the origin and growth of all human institutions ultimately to the
economic factor. Hence also the name of Economic Determinism.
Thus the economic conditions are the ruling forces in the world.
The economic factor is a force which controls all events in History;
it determines the entire culture and the life of man and gave origin

(1) Quadragesimo Anno, 37.
to all human institutions, including the state and religion.

Communism maintains that all peoples began with the common ownership of land. Private ownership is the result of a long process of evolution. Private ownership, especially private ownership of the means of production, gave rise to class distinctions, owners and non-owners; the former the exploiters, the latter the exploited. The antagonism between the classes gave origin to the state, which is an organ of class domination. This evil would be uprooted by the collective ownership of the means of production. All men thus will become brothers; all unscrupulous exploitation will be eliminated and production will be more carefully estimated in order to avoid unnecessary expenditure of energy and wealth.

A first fundamental error of Communism is that it presupposes an ideal man, who is willing to share equally with others and surrender his own advantages, whose nature will be completely transformed. But the nature of man does not change, and much less a change in economic conditions will make a man virtuous. He who is cruel, rapacious, lazy now, will never be different under a communitistic system. The brotherhood of men can be realized only through much higher ideals, namely, the ideals of religion. If man were a perfect being, he would act according to his ideals now, and therefore, Communism would be needless.

Another fundamental error of Communism is the assumption that private property of the means of production is an evil. We have to
admit that such a kind of ownership was often a weapon used by unscrupulous men to exploit their fellow-men. This revolting fact has been evident since the Industrial Revolution. However, writes Ch. J. McFadden "the conclusion which Communism draws from this fact is illogical. To abolish private ownership as a means of abolishing exploitation is to cure the headache by cutting off the patient's head. Private ownership is as natural to man and as necessary to society as the head is to the patient. And just as one would not think of curing a headache by cutting off a person's head, neither should one think of remedying exploitation by destroying private ownership." (1)

The error of Communism in the matter of private property is twofold. It fails to understand that private property is both natural to man and necessary to society; and that the 'exploitation' is the result not of the right of private ownership, but of the abuse of such right. We have already demonstrated that the right of private property is based on the very nature of man. This argument is of a paramount importance. We should never forget that in attacking Communism we cannot have a strong argument in favour of private property unless we base it on an analysis of the nature of man itself. It is not unusual to hear people who to justify private property bring forth the effects it produces, namely, that it contributes to human welfare; that it is necessary for an adequate incentive

for labour, and that men don't care much of things which belong to
the community. These 'expediency' arguments have some value, but
don't have enough strength against Communism. I would like to quote
here what Ch. J. McFadden writes on this matter: "...they (the ar-
guments from expediency) are extremely ineffective today..." For it
is precisely the argument from expediency which is today Communism's
most deadly weapon against private ownership. One cannot hope to
defend private ownership on the ground that it is most conducive to
general human welfare when millions are living in a state of star-
vation due to the abuse of private ownership. It is all well and
good to remark that these unfortunate conditions are due to the
abuse of private ownership, not due to the private ownership itself.
But the masses don't make philosopher's distinctions. The fact re-
mains that private ownership, as practiced today, is to a very great
extent not conducive to the common welfare of men... The arguments
based on the effects and value of private ownership is the strongest
argument (in the hands of Communism) against the right of private
ownership; and Communism finds it a simple task to convince the
masses, victims of ruthless exploitation, that they will receive
the necessities of life and peaceful living after private ownership
is abolished." (1) On the contrary, the metaphysical basis of private
ownership, namely, that private ownership is based on the human per-
sonality of the individual, is a solid argument against Communism.

Since the personality of an individual does not belong to society, society may not absorb it, or its fruits.

By this argument we can demonstrate that Communism itself admits that it is man's labour that in industry produced, say, an object; that, therefore, implicitly accepts the right to private ownership, and that consequently it contradicts itself. Why do the Communists suggest that to eliminate all evils in economic life it is necessary to eliminate private property? For the only reason that they are convinced that wealth is created by man's personal work when they say that the worker under the present economic situation neither receives what he produces, nor its equivalent value in money. Their attack on the present capital-labour system is a defense of private property.

The recognition of the right to private property, as we have said, is only implied in the theory of Communism; but such recognition "is the strongest psychological force behind the development and spread of Communism." (1) Those who become Communists do not do so because they want no private property, but only because they think that by eliminating the capital-labour system they will be able to get what their personal work entitles them to.

However, we have to point out here that the argument, presented by Communism, contains an obvious error. It claims that the worker is exploited when the employer does not give the worker the entire

(1) McFadden Ch. J., The Phil. of Communism, p. 268.
product or its equivalent. When we discussed the problem of a just wage, we said that in estimating an adequate wage we must take into account many considerations, and not the labour of the worker alone. Communism does not realize that it is not the labour of the worker alone. Communism does not realize that it is not the labour of the worker alone which produces something. There are many others who contribute mentally or physically to the product. For instance, a factory needs machinery, raw materials and so forth, which must be bought by the owners of the factory. The machines and raw materials are produced by the labour of many other workers. To pay for these things the owners of a factory must use a part of the profits which derive from their own products.

By such claims Communism itself becomes as bad a champion of a class system of exploitation as, or even worse than, economic individualism. And if it is ready to acknowledge that all who contribute in some way to the production of a thing, have to be compensated, then its theory has no significance. If Communism makes this latter acknowledgement "the only possible point to its criticism is that it calls attention to the fact that there is not a just distribution of profits - and Papal Encyclicals were asserting this truth when Communism was still in its swaddling clothes." (1)

It is only by the application of Christian principles that the cure of the evils of the economic system of our time will be realized.

(1) McFadden Ch. J., The Phil. of Communism, p. 271.
"The problem is not how to suppress private interest, but how to purify and ennoble it; to hold it in a social structure directed to the common good, and also (and this is the capital point) inwardly to transform it by the sense of communion and fraternal unity." (1)

(1) Maritain J., True Humanism, p. 181.
We have seen so far that the Christian doctrine defends the right of private property, and also that it maintains that property's social function ought to be fulfilled; that it advocates a better distribution of property and condemns the abuse of it. We have seen also that it defends the right of the worker to an adequate family wage against the antisocial theory of economic individualism, and that it condemns Communism, which presumes to cure economic evils through the abolition of private property and social revolution.

The Christian doctrine, however, does not only defend and condemn; it is also constructive, namely, it proposes the best way by which the reform and betterment of the social order will be attained.

Both Leo XIII and Pius XI expressly state that there is nothing essentially wrong in the wage-contract between the worker and the employer; but while asserting the right of the employer to a legitimate interest and profit, at the same time they vindicate a more equitable compensation for the worker's labour, and advocate a better distribution of the income from production. "Every effort must be made", writes Pius XI, "that a just share only of the fruits of pro-
duction be permitted to accumulate in the hands of the wealthy, and that an ample sufficiency be supplied to the workingmen." (1) And he makes it clear that the purpose is not that the labourers become indolent at their work, "but that by the thrift they may increase their possessions and by the prudent management of the same may be enabled to bear the family burden with greater ease and security, being freed from hand-to-mouth uncertainty which is the lot of the proletarian." (2)

Nevertheless in order that a better economic condition may be realized in society, both Popes declare that the worker should become something more than a wage earner, and deem it advisable that a relation of partnership should be produced as a modification of the wage-contract. "In this way workers and officials are made sharers in the ownership or the management, or in some way participate in the profits." (3)

What do we mean by capital-labour partnership? It is very important to have a clear notion of it. "If the labourer buys shares in a business on his own initiative and through his own savings, this cannot be called partnership. The workingman is then related to the business in two ways, as a worker and as capitalist, but the two aspects in him are still unconnected.... If the workers get shares in the business, not on principle, but through the sheer free bounty and good will of the employer, whether by reason of

(1) Quadragesimo Anno, 61.
(2) Quadragesimo Anno, ibidem.
(3) Quadragesimo Anno, 65.
special skill, or years of service, and the like, this is not yet a partnership." (1)

Again the kind of partnership recommended by the popes is far from the theory of Communism. In Communism collective ownership implies a depersonalized possession; the Christian concept, on the contrary, represents an effective defense of personality. This concept is well explained by J. Maritain, who writes: "The coproprietorship of the means of the work should serve as the material basis of a form of personal possession, the possession no longer of a thing in space, but of a form of activity in time, the possession of a 'trust' or worker's title, which assures a man that his employment is rightly his, is juridically linked with his person, and that his operative activity will there have room to progress: It should serve to give a title and a social guarantee to the bringing into action of what is functionally and inalienably the property of the worker: his personal powers, his intelligence, the skill of his hands." (2) Capital-labour partnership in any enterprise exists only when the worker as a worker is accorded the status and the right of partner.

These reforms, however, cannot be realized as long as in economic life there is no bond of unity, as long as there is no cooperation between capital and labour. That in our economic life there is no organic unity is quite evident. There exist classes opposed one

(2) Maritain J., True Humanism, p. 182.
another, consisting merely of isolated individuals. The indivi-
duals "are gathered together as grains of sand in a heap, but not
as cells united into functional members, which in turn cooperate
for the welfare of the general body. Where private organizations
exist in the economic world they do not, because of this, give
organic form to society itself. Far from cooperating toward a well-
defined common end, they are often at bitter odds with each other." (1)

These unhappy conditions of society in our time make it incum-
bent on everybody to do his best in order to eradicate class hatreds
and to do what is in his power to foster and promote a harmonius
cooperation between employers and employees.

To cure these evils a supreme solution is offered by Pius XI in
the Encyclical 'Quadragesimo Anno'; a solution in which the whole
program of the Encyclical culminates. In the mind of the Pope the
scheme of the solution outlined in the 'Quadragesimo Anno' is so
important that the Encyclical itself takes even its name from it,
'Encyclical Letter... on Restoring the Social Order...' Pius XI
suggests a reorganization of society in some way on the lines of the
mediaeval guilds system, namely, a coordinated system of occupational
or vocational groups which works together in harmony with the prin-
ciples of the natural law and with the principles of justice and
charity. The Pope, in referring to those institutions, writes that

in them a highly developed social life flourished, and deplores their disappearance. (1) He sees no other remedy for our economic evils except that "well organized members of the social body come into being anew.... For as it is natural for those who dwell in close proximity to unite into municipalities, so those who practice the same trade or profession, economic or otherwise, combine into guilds or corporate groups (collegia seu corpora). These organizations, in a true sense autonomous, are considered by man to be if not essential to civil society, at least natural to it." (2)

In the Christian Middle Ages we find realized for the first time in history many of the ideals of an industrial democracy. And the abolition of those guilds was, as Leo XIII writes, the first of the causes of our modern social disorders. "For the ancient workingmen's guilds were destroyed in the last century, and no other organization took their place. Public institutions and laws have repudiated the ancient religion. Hence by degrees it has come to pass that workingmen have been given over, isolated and defenseless, to the callousness of employers and the greed of unrestrained competition." (3)

If the mediaeval guilds continued in their usefulness for some centuries, there is no reason why a new guild system, perfectly adapted to the needs of our times, should not come into existence again.

(1) Cfr. Quadragesimo Anno, 78.
(2) Quadragesimo Anno, 85.
(3) Rerum Novarum, 2.
The mediaeval guilds accomplished their successes through a perfect cooperation with the municipal or state government, seeking first and above all the common good. Pius XI when calling for a reconstruction of the social order had the state in mind: "When we speak of the reform of institutions it is primarily the state we have in mind." (1) When the industrial revolution took place it was the duty of those who then possessed the power to bring about a suitable transition from the guild system to the factory system. They failed. Today the state must in turn do its part to bring about the desired harmony between the various groups of society, to reestablish the occupational groups. It is true that the state cannot be the source of all social salvation; however, its function must be emphasized on account of the evils that have derived from economic individualism. While much that was formerly done by small bodies can now be accomplished only by large corporations, nevertheless it is a great evil to permit the latter to control and perform industrial activities which can be carried on successfully by smaller groups. The state should, therefore, encourage and help the formation and functioning of these smaller industrial groups.

But Pius XI had the state in mind also from another point of view. He speaks of a form of corporative organization then existing, and evidently he refers to the industrial system which, at that time, 

(1) Quadragesimo Anno, 78.
was set up in Italy by Mussolini on the lines of the mediaeval guilds. The Pope, after praising its good features, refers to the fear that it involves the substitution of the state for private initiative, while the state should be satisfied with giving the necessary and sufficient help. (1) And it is for this reason that he lays down the principle in general way that "the state should leave to the smaller groups the settlement of affairs and of cases of minor importance, on which the civil authority would otherwise use up too much effort. It will thus be able to carry out with greater freedom, power and success all those tasks which belong to it alone, because it alone can accomplish them, directing, watching, stimulating, and restraining, as circumstances indicate and necessity demands." (2)

Before we proceed to consider in details the plan of Pius XI for the reorganization of the social order, let us see what is the doctrine of the present Pope, Pius XII on this subject. Pius XII reasserts the same principles, namely, that the answer to the social question is not social revolution, but evolution through concord: "Salvation and justice are not to be found in revolution; but in an evolution through concord. Violence has ever achieved only destruction, not construction; the kindling of passions, not their pacification; the accumulation of hate and

(1) Cfr. Quadragesimo Anno, 95.
(2) Quadragesimo Anno, 80.
destruction, not the reconciliation of the contending parties." (1) In our time the dangers of Social Revolution are so close to us that Pius XII deemed it necessary to warn us against it again and again: "The Church, guardian and teacher of truth, in asserting and defending courageously the rights of the working class on various occasions and combatting error, has had to issue a warning against letting oneself be deluded by the mirage of specious and fatuous theories and visions of future well-being and against the deceptive enticements and seductions of false prophets of social prosperity, who call evil good and good evil and who, boasting that they are friends of the people, do not agree with those mutual agreements between capital and labour, employers and employed, which maintain and promote social concord for their common progress and advantage.... Such false prophets would have us believe that salvation must come from a revolution which shall overturn social order and assume a national character..." And again he repeats that the solution is to be found only in a "Progressive and prudent evolution, full of courage and in conformity with nature, enlightened and guided by the Christian laws of justice and equity." (2)

Let us see now what is the plan that Pope Pius XI so earnestly urges. As we have said, in the present economic condition we have two classes with opposing interests, engaged in a continuous struggle.

(1) Pius XII to Italian Workers, June 15, 1943 (Cfr. Naughton J., Pius XII on World Problems, p. 117.

(2) Pius XII, to Italian Workers, June 15, 1943. (Cfr. Naughton J., Pius XII on World Problems, pp. 115, 116, 118)
The only solution, as Pius XI writes, is to be found only in the substitution of a new 'order' in which the two classes cooperate together for the good of the common trade or industry, always keeping in view the common good. "But there cannot be question of any perfect cure except this opposition be done away with, and well organized members of the social body come into being anew, 'orders', namely, in which men are knit together not according to their position in the labour market, but according to the diverse functions which they exercise in society." (1)

We have to point out here that as the Church does not sponsor any particular form of government and does not condemn any form of government, unless it be based on immoral principles, the Church does not give any technical direction, because it is not her province. She does not pronounce authoritatively beyond the essential nature of the new Christian social order; and any developments may be given to it, provided they are in conformity with the purpose and spirit of the Christian principles.

All workers, therefore, without exception should organize into trade unions; and all employers should also organize in employers' associations. This process should be followed within each trade and industry. Thus in each trade or industry there will be a trade union and employers' association. These groups should

(1) Quadragesimo Anno, 83.
not thereafter perpetuate a division of society, with class conflict, but band together by means of joint committees. The representatives of these separate associations of workers and employers would hold regular meetings in which all problems will be taken into consideration; actual difficulties between both parties will be dealt with by mutual discussion and agreement and also the sources of future friction will be foreseen and obviated. In these meetings, however, the common good must take precedence over all private interests of both parties. In all deliberations justice and charity must be the supreme laws.

We may mention also that Pius XI indicates the possibility of organizations in which all members of both groups, employers and employees within a given trade or industry, join to form one single organization, and the representatives of both groups would form an executive committee to function as described above. (1)

In this type of industry organization the union between the members of any organic unit is twofold: first, the common professional interest of all those who are engaged in the same kind of enterprise; and, secondly, the reawakened interest of all in the common good. With this mutual collaboration pervading the whole economic life, the resulting advantages will be numerous and of great importance. "This reorganized economic structure would embrace all problems that come within the scope of social justice.

They, the representatives of these organizations, would determine:
(a) quantity of production and method of distribution; (b) just rates of interests, dividends, prices, wage scales, salaries, with a view to the participation by all in the national wealth; (c) methods of doing away with unemployment, and provisions for those who are temporary idle; (d) how to make finance a responsible function of economic life, putting an end to arbitrary control of credit.

Farms groups, too, organized in their own associations, would seek a solution of their problems through cooperation and planning. They would be represented fully in a council that would unite the interests of farmers, industrial groups, and professional men." (1) Thus strikes and lock-outs will be avoided; unlimited competition eliminated; all vital problems impartially considered; waste and friction reduced to a minimum. Thus the whole economic life and industry itself would profit greatly; happiness and contentment promoted. The happy result would be public prosperity, order, and peace.

The last, but the most important thing we have to mention is that if the new social order is to function and attain its purpose, it must be pervaded by the 'Christian spirit'; without it such a reorganization would be an artificial thing, a body without a soul.

(1) English W. I. and Wade W. S., Rebuilding of Social Order, pp. 93, 94.
Economic disorders take place when temporal interests are considered the only interests or are placed above the spiritual ones, when economic life is divorced from the control of moral law. The two principles that above all must govern all economic life are justice and charity; justice that must of necessity influence the entire social life, and charity which is the soul of this life. (1) As Pius XI states, justice alone or charity alone will not suffice. No amount of charity can make up for violations of justice, and no amount of justice apart from charity will suffice for attaining a proper moral status among men. "Assuredly, charity cannot take the place of justice officially due and unfairly withheld. But, even though a state of things be pictured in which every man receives at last that is his due, a wide field will nevertheless remain open for charity. For justice alone, even though most faithfully observed, can remove indeed the cause of social strife, but can never bring about a union of hearts and minds. Yet this union, binding men together, is the main principle of stability in all institutions, no matter how perfect they may seem, which aim at establishing social peace and promoting mutual aid. In the absence, as repeated experience proves, the wisest regulations come to nothing." (2)

The same concept is reasserted by Pius XII, who says that the


(2) Quadragesimo Anno, 137.
solution of the problem is to be found only in a "progressive and prudent evolution, full of courage and in conformity with nature, enlightened and guided by the Christian laws of justice and equity." (1)

The guild system of the Middle Ages was in many ways the realization of a true industrial democracy because it was based on Christian principles. It was this that impelled the guildsmen, not only to take care of their own well-being, in the use of their property, but to consider also, and above all things, the common good. Therefore, let us go back to the Middle Ages. Of course, as we have already said, we do not maintain that the guild system has to be adopted literally, as it worked at that time. Things today have changed; however, that system can be applied according to the needs of our time. But, above all we have to put into practice the same Christian principles, which are always the same, because they are above time.

Any new methods which are divorced from the Christian principles, will not cure the modern economic evils. At their best they will be merely temporary devices and palliatives. They who advocate these new methods and ideals, if do not accept Christian principles, should accept at least the evidence from experience and history; and the events that took place in the past 150 years, and what is taking place today are the clearest evidence that Christian

(1) Pius XII to Italian Workers, June 13, 1943.

(Cfr. Naughton J., Pius XII on World Problems, p. 118)
principles are needed. Experience and history emphasize the fact that it is the Christian spirit that has inspired the most perfect efforts in all fields of human activity and that its fixed standard of morality has maintained the most perfect harmony in those fields.

A social reconstruction which would deny the essential relation of society to God as its foundation, observes Pius XII - while it would seem to be building up, nevertheless would sooner or later destroy the whole fabric of social life. "When it disregards the respect due to the human person and the life which is proper to that person, and gives no thought to it in its organization,... then instead of serving society, it harms it; instead of encouraging and stimulating social thought, instead of realizing its hopes and expectations, it strips it of all real value and reduces it to a utilitarian formula." (1)

(1) Pius XII, Christman Message, 1942. (Cfr. Naughton J., Pius XII, on World Problems, p. 122)
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