

DISPUTED QUESTIONS

ON THE ECONOMY

In the Middle Ages, the disputed question was one of the major forms of academic investigation. A master of theology would pose a question on which great authorities seemed to disagree, then entertain objections from fellow masters and students. After others attempted to reconcile the various authorities, the master would give a determination that resolved the question.

In our form of the disputed question, two student brothers approach a difficult issue from different angles in order to reveal its complexity. These essays are meant to be complementary, not contradictory. Each of the brothers is then given the opportunity to reflect upon the contribution of the other. The section closes with a final summary provided by the editor, who does not pretend to play the role of master.

THE QUESTION

Dante may have been correct that “love moves the sun and the other stars,” but, in the terrestrial sphere of the sublunary, it often appears that money makes the world go round. And since the collapse of communism, in the West at least, it is some form of capitalism that governs this monetary movement. Yet accusations of exploitation and injustice are no strangers to this free market world. Is capitalism more or less the only game in town? Or is there a more just and moral version of the market? To paraphrase a prophet: is capitalism the economic system that is to come, or shall we look for another?

IN DEFENSE OF CAPITALISM

Henry Stephan, O.P.

WHO ARE YOU CALLING A CAPITALIST?

Whenever the Church proposes to speak to the marketplace, the conversation is sure to be somewhat awkward. The Gospel of Jesus Christ, after all, is concerned first and foremost with a supernatural reality—the means by which we realize our final end of eternal union with God—while markets are concerned with more earthly matters. When the Church does address questions of material welfare, she speaks primarily about care for the poor and justice for the oppressed—choosing prophets over profits, one might say.

Since the growth of modern economic liberalism in the nineteenth century, many Catholics have decried such a system that seems so philosophically unmoored from the concerns of the Church's social teaching. If one aspires to store up treasure in heaven rather than earth, after all, the free market can appear to be a cesspool of vice: greed, materialism, inequality, and many others, all in the pursuit of filthy lucre.

The temptation to wash our hands of the whole system is surely a strong one. And I will be the first to agree that the modern economy is filled with immorality and injustice. Yet the manifest fallen-ness of the capitalist system flows from our fallen human nature. This side of paradise, all the affairs of men—economic, political, and social—will be tainted by the corrupting effects of sin. Utopianism is evangelical malpractice for a Christian, since it deprives the world of the real force of the message of transformation in Christ.

This is not to say that we should throw up our hands and declare the commercial world to be a moral free-for-all. We have a duty

to promote laws and policies that will lead people to the good life, though reasonable people of good will may disagree about them. This is not an apologia for unfettered libertarianism, or even variations on a theme from the Republican Party platform. Instead, I argue that the principles and outcomes of free market capitalism are defensible, even though imperfect. Considering the alternatives, the Church should support the spread of the Gospel within the free market economy, rather than opposing a program of free trade (both within and between countries) as a means of improving material welfare.

THE PRINCIPLES THAT UNDERGIRD FREE MARKET CAPITALISM

The Merriam-Webster definition of capitalism is “an economic system characterized by private or corporate ownership of capital goods, by investments that are determined by private decision, and by prices, production, and the distribution of goods that are determined mainly by competition in a free market.” The essential proposition of capitalism is that free trade or exchange, within a country and between countries, increases prosperity. Barriers to such trade create distortions and hamper collective welfare. Before weighing the outcomes of this proposition, let us first consider several of the assumptions and principles on which it rests.

-The Scarcity of Resources: We live in a world of limited resources, even as human needs and desires (on a material level) are never perfectly satisfied. Economic activity is necessarily a matter of trade-offs, pursuing one good at the expense of another. Private property is essential in dealing with the problem of scarcity, for self-interest allows some measurement of the relative worth of work and resources over time.

-Limited Human Knowledge: No one man (or government, for that matter) enjoys a truly God’s-eye view of the economy. There are countless variables in our economic behavior, and even the best mind is incapable of knowing all of them when it comes to

the complexities of exchange. An open market is the only way we can make sense of all these variables, because our actions can be coordinated in response to competitive pricing, which in turn is informed by supply and demand.

-The Rule of Law: A functioning free market economy rests on the rule of law as a guarantee for trust. A fair, independent legal system prevents unfair competition that distorts the market and protects the rights of private property. Without predictable outcomes from an impartial judge, the risks—and costs—of exchange increase considerably. Responsible, limited government provides clear general rules, preserves public safety, maintains public infrastructure, and protects the general welfare—all of which are important elements of prosperity in a capitalist system.

-The Virtues of Competition: By allowing private individuals to compete fairly, a free market system creates incentives for merit. One might call this “freedom for economic excellence.” Free markets reward entrepreneurial spirit, but punish irresponsible behavior. Closed markets suffer from poor quality, unresponsiveness, and limited innovation.

Many of these assertions are broad, and certain principles admit of exceptions and qualifications. There are countless examples of a capitalist economy rewarding evil amply, just as there are so many instances of good people suffering unjustly. These principles necessarily simplify an immensely complex reality. However, they do reveal a foundation of realism about the fallen human condition. Resources are scarce. Human knowledge is fallible. Trust is wanting in human affairs. Reward is usually necessary to motivate excellence. A capitalist system seeks to overcome these obstacles to human cooperation by creating a forum for coordinated action—the free market.

WHAT HAVE FREE MARKETS DONE FOR ME LATELY?

Sound premises are all well and good, but what of outcomes? Surely the proof is in the pudding, and capitalism has earned



CAMILLE PISSARRO - THE FAIR IN DIEPPE, SUNNY MORNING

a dreadful reputation. From Dickensian workhouses to Southeast Asian sweatshops, the march of global capital is usually seen as the enrichment of the wealthy and powerful at the expense of the poor and vulnerable. In too many cases, this has the ring of truth. There have been, are, and will be greedy, heedless people who think only of their own welfare, often acting without mercy or justice to others. In a capitalist system, these people can be, and too often are, rewarded for their behavior, so long as it improves the bottom line.

Two points mitigate this rather bleak portrait. First, insofar as human beings suffer from the effects of original sin, some of these unsavory qualities will be features of any economic system. Even communism could not solve for concupiscence. Second,

although it is certainly imperfect, a free market system does achieve a remarkable degree of success in raising our collective material welfare. Let us consider but three examples, in which the free market system helps fight global poverty, spread peace, and save lives.

-Decrease in Global Poverty: The World Bank reports that in the past two decades, the number of those living in extreme poverty (that is, living on under \$1.25 per day) has declined by nearly 1 billion, from 43.1% to 20.6% of those in developing countries. What accounts for this remarkable achievement? Not, for the most part, foreign aid or charitable giving, but economic development. In countries that began adopting free market policies and encouraging trade, the transformation has been remarkable. Many of those who have moved out of extreme poverty still live in difficult conditions, but the improvements across the board—living standards, health and mortality, education, disposable income—are tremendous. Greater social provision and services have made a difference as well, but such largesse is made possible by encouraging investment, decreasing tariffs, and removing monopolistic institutions that squelch creativity.

-Peace between Trading Nations: Free trade knits nations together and advances the cause of peace. This is hardly a new line of argument—Montesquieu argued for increased trade as a means of decreasing conflict in 1750. When there are lasting bonds of commerce between two countries, it stands to reason that they would have a disincentive to fight a destructive war against one another. More recent studies support this logic. In a paper entitled “Trade, Peace and Democracy: An Analysis of Dyadic Dispute,” Professors Solomon Polachek of SUNY and Carlos Seiglie of Rutgers examined the link between trade and armed conflict (IZA, 2006). After analyzing the data and providing a lengthy review of the recent scholarly literature, they report a clear connection: belligerence declines markedly with increases in trade and capital flows between nations, and cooperation increases by nearly every measure. Free trade can be a potent tool in refocusing the wealth

and energy of countries away from war and towards more irenic purposes.

-Technological Advancement: Since free market capitalism both respects private property and values innovation, the system creates an ideal environment for technological advancement. Since we live amidst these new technologies every day, it is easy to forget the circumstances that incentivized their creation and spread. The human genius is inspired to invent and improve tools with every generation, but the hallmark of the capitalist era is that these inventions and tools are very quickly available to the general public. The rapid pace of these innovations can be credited in some part to the virtuous cycle of competition—the constant drive to make products better, faster, and more affordable. In the field of medical technology alone, the confluence of ideas, investment, and widespread distribution have created countless products that extend and improve lives every day. Without a system that offers big returns for realizing new technologies, would we have the pacemaker, the MRI scanner, or the gamma knife?

CATHOLICS IN THE PUBLIC SQUARE: ECONOMIC AGGIORNAMENTO

Where does all this leave us? We have seen that free market capitalism draws from some sound principles, grounded in the realities of our fallen condition. The system also delivers impressive results, including the three we considered that directly address great humanitarian problems of our time: poverty, war, and sickness. All these arguments notwithstanding, the capitalist system still rankles many thoughtful Catholics who see it as profoundly dislocating and destructive of tradition. What does it merit us to gain GDP if we lose our souls?

Some of these critics hearken back to an economic system that more powerfully bound people to the land and their communities. This vision has strong emotional and philosophical resonance, for it appeals to a genuine good, and promotes the ideal of a

humane lifestyle closely tied to virtue. I entirely agree that the goods of rootedness and strong community are important to human happiness. I would also agree that leisure ordered toward contemplation is more important than work, insofar as the latter should serve the former, rather than the other way round. Capitalism cannot be an end unto itself. The system only has merit insofar as it can be put to use in furthering human flourishing, which includes elements like family and tradition.

However, these critics usually stumble when they move from theory to practice. “Economic philosophy,” if we may call it that, suffers from many of the same shortcomings as its cousin, political philosophy. We never start from an economic *tabula rasa*—there is a present system, with its own assumptions and outcomes, its successes and its failures. The Catholic response to the marketplace must be grounded in its lived reality, not an ahistorical and abstract standard. Nor should Catholics idealize some period of the distant past, particularly when the argument involves more nostalgia than serious historical comparison.

Capitalism has its failures. But for all those shortcomings, it is a system that respects individual freedom, accounts for the shortcomings in human knowledge, and encourages coordinated activity that can be put to good ends. For good and ill, it is responsive to the values and desires of those who participate in the system. When disordered human desires go unrestrained by an informed conscience, social norms and conventions, or public laws, they encounter in the free market ample opportunities to be fulfilled. Therefore, the indispensable task of the Church is to inform consciences, affirm virtuous social norms, and advocate laws and policies that will support genuine flourishing.

The difficulty of this task is in some ways similar to the challenge the Church faced regarding the new political order that developed after the French Revolution. Deeply invested in the philosophy and social order supporting *anciens régimes* across Europe, many Catholics struggled to find their voice in the changed public

square. Popes and bishops accused the new political order—including democracy—of being fruit from the poisoned tree of philosophical liberalism, and so issued repeated bromides against it. Catholics were often encouraged to abstain from political life altogether, or to join reactionary movements, with the result that the Church was pushed even further to the fringes. Animated by romantic and philosophical commitments to a vanished past, some of the best Catholic minds were left on the sidelines, even as a high-stakes game for the future was afoot. It took decades before many remembered that the Church is not the handmaid of any political (or economic) system, but must re-propose the Gospel with every age. Catholics belatedly realized how many aspects of liberal democracy—like human rights and limited government—could be understood in terms of the faith and used to further the good.

Catholics should not make the same mistake today in the economic debate. Just because an institution or system has mixed philosophical provenance does not mean that it is beyond redemption. The Church should be at the very center of the marketplace, spreading the Gospel of Jesus Christ as the only true path to complete human flourishing. The Church should speak to and for workers and the poor, defending their rights and encouraging them in virtue. She should seek to reach the businessman as well, informing his understanding of ethics and inculcating in him true magnanimity. Catholics should not reflexively oppose free market capitalism to achieve our desired ends. Rather, we should seek to understand the best of economics and business experience, and read them in the light of the Gospel. From this dialogue will flow the most effective Catholic response to the good and the bad of free market capitalism.

Henry Stephan entered the Order of Preachers in 2011.

AN ALTERNATE PROPOSAL

THE DISTRIBUTIST CRITIQUE

Gregory Maria Pine, O.P.

ON FIRST PRINCIPLES

When evaluating the respective merits of economic policies, one must attend first to principles. The whole discourse must be governed by the end, namely union with God, which constitutes our happiness. G. K. Chesterton hammers this home: “Happiness is the only test; the only test that is in the least practical [...] There is no obligation on us to be richer, or busier, or more efficient, or more productive, or more progressive, or in any way worldlier or wealthier, if it does not make us happier.” God draws man unto Himself and accomplishes this happiness in us by what St. Thomas Aquinas observes to be a threefold order. First, man must abide by the divine law. Also, he must live in accord with the natural law. Finally, since man is a “social and political animal,” he must also be well disposed towards his neighbors (*ST Ia-IIae*, q. 72, a. 4 c.); this we’ll call the human law.

Human law is not a mere obligation stemming from the fact that there are other people on earth; rather, it is a matter of perfection. Man and woman are unable to realize all of the goods of nature in the context of the family; the city is the smallest unit wherein all of man’s faculties may hope to realize their perfection. This perfection in political life is realized by justice, whereby man renders to each what is due. Justice moderates one’s actions with respect to other persons in the city so as to promote the common

good. In the *Nicomachean Ethics*, Aristotle treats justice in terms of a proportion – the distributive realization of equity.

In light of this, it stands to reason that capitalism, adopted in its principles *tout court*, does not promote the flourishing of justice but actually does it violence. As a corrective, I propose the moderating influence of what authors at the turn of the 20th century referred to as “Distributism,” a political philosophy which promotes a just order in which property is owned by a wider segment of society through co-operative efforts. Historically, this has often occurred under the auspices of Catholic Social Teaching and has assumed both agricultural and industrial forms.

STRUCTURAL FLAWS OF CAPITALISM

The structural flaws in capitalism, and in particular its core principles, are not immune from criticism. As a prominent advocate of distributism, Hilaire Belloc described capitalism thus: “A society in which private property in land and capital [...] is confined to some number of free citizens not large enough to determine the social mass of the State, while the rest have not such property and are therefore proletarian.” With this basic definition and the foregoing discussion in mind, one might enunciate any number of criticisms of capitalism. What follows is limited to three. Following these critiques, an illustration of how the principles of Distributism allow man to flourish more fully in a just order will be supplied in parallel fashion.

First, capitalism tends towards *dispossession and consequent exploitation*. Following the Industrial Revolution, the shift from small to large scale production placed an increasingly significant economic barrier to ownership of productive capital. With this shift, a greater importance was afforded to capital with a consequent rise of wage labor and the attendant potential for exploitation. A system based on wages rather than ownership leaves the worker exposed to managerial caprice. As such, capitalism tends to undermine security on the large scale, as nearly all surplus is

diverted to the owner and away from the wage earner, leaving him or her peculiarly vulnerable. Certain moderating influences (e.g., collective bargaining, minimum wage legislation, etc.) have interceded on the worker's behalf, but average wages tend unto servitude of a sort. Further, this dispossession undermines private property as normatively widespread. The consolidation of private property resulting from the centralization of production and the consequent rush to the city leaves men and women with very little buffer from the potentially invasive claims of a ruling body.

Second, capitalism promotes a *disordered understanding of wealth*, both qualitatively and quantitatively. With respect to the former, as man is taken off the land, the focus shifts from things of primary importance (e.g., food, clothing, shelter, and fuel) to those of secondary importance (everything else). Furthermore, the connection between labor and necessities becomes more tenuous. While the farmer knows that potatoes grow in the ground and Cheerios are made at a General Mills factory miles away, one can see how for city folk, it is more like the difference between aisle one and aisle seven.

With respect to the quantitative wealth, capitalism also permits for easier accumulation. To facilitate trade, capitalism conducts commerce through conventional means. As such, the accumulation of wealth can be reduced to the tracking of an Etrade.com account or an online banking portal. Man becomes focused more proximately on the accumulation or management of token, that is, artificial wealth, assigning to it a value no longer proportionate to its signification (Have you tried eating currency, heating your home with it, or clothing yourself with it?). Man thus becomes more estranged from his real need and actual sustenance, awash as the age is in a tumult of advertising, marketing, and designer cupcake shops. Aristotle and St. Thomas are agreed that the undue desire for artificial wealth tends unto a certain infinity. Whereas the desire for wealth of the body is checked by nature (as much as we would like to eat eighty cupcakes in one sitting, it

simply is not possible), the desire for artificial wealth does not have the same physiological upper limit.

Third and finally, *capitalism is wasteful*. This is evident structurally in the multiplication of middlemen. Interposed between the producer and the consumer, there are the intervening markets, transport agencies, and financiers. As Vincent McNabb, O.P. comments:

As soon as a land-worker produces much more of a commodity than he can consume and much fewer commodities than he must consume he must obtain money by selling his produce in a market; and the more he produces the further must he send his produce. This at once robs him of his liberty of action by delivering him to the mercy of the market, the transport agency that takes his produce to the market, and the financier who gives financial credit to buy and stock and work the land until the produce is harvested and sold and paid for (“Industrialization of Land”).

Simply put, capitalism necessitates an increasingly sprawling economy that generates considerable waste.

A DISTRIBUTIST RESPONDS

Laid out thus, the economic landscape seems somewhat arid and tolerably cruel, but it need not be so. The distributist argues that the tide can be turned by co-operatives that effectively widen the base of property ownership. Before proceeding, it is necessary to first clarify the nature of the somewhat ambiguous policy at stake. Hilaire Belloc defines distributism as the following:

To put Distributism very simply: It is an alternative to Socialism and to Capitalism. It is a system committed to private property for as large a proportion of the citizenry



T. C. STEELE - VILLAGE SCENE

as possible [...] that they may enjoy virtual independence and share in the completeness of a life close to nature. (*The Servile State*)

While it may appear a period piece, distributism is no mere nostalgic abstraction. The principles of distributism remain a viable possibility. Turning now to the particular criticisms of capitalism, one can see how the principles of distributism promise greater happiness.

With respect to dispossession, distributism seeks to safeguard and promote the dignity of the worker and his or her stewardship of the land. Flowing from the divine command of dominion (Gn 1:28), they argue, man is possessed of the right to provide for his family and future, as well as to impress his image

(that of reason and will) upon creation. He thus ennobles and perfects the very soil with which he toils to bring forth fruit.

Distributists further encourage city dwellers to move beyond a wage system and into the realm of genuine ownership. As part of this push, distributism attempts to make private property more universal. Since capitalism is wage-based, it practically necessitates the majority of wage-earners over and above owners. It remains the case that property is one of the only institutions that permits the family to affirm its equal right with the state in the pursuit of things needful to its preservation and its just liberty (See *Rerum novarum*, 13).

Second, a Distributive critique corrects a misrepresentation of the nature of wealth. Distributists argue that wealth must be proportioned to need. St. John's account of the feeding of the five thousand notes that the meal ended "when they were filled" (Jn 6:12a). From this phrase, Fr. Vincent McNabb takes a rather imaginative point of departure. For him, St. John's word choice communicates the natural correspondence between desire and things. The average person may be trusted to limit desire by need. But in an economic system where artificial wealth is emphasized, that trust is destabilized. As McNabb says, "If the Eternal Wisdom instead of miraculously providing bread and fishes, had provided money, St. John would have been unable to say that as much as each one wanted Jesus gave." This avaricious tendency, which impinges more dangerously on artificial wealth, undermines the common good by promoting a widespread preference for private interests, and peace is lost. Things of intrinsic value tend more to sate the appetite and shape the reason of man than do things of merely artificial value, and, as a result, are less prone to give rise to disordered desires of such magnitude.

Finally, distributism is less wasteful than is capitalism. Take the example of farming. Distributism operates on a much smaller scale, seeking to ensure that the area of cultivation is as near to

coterminous as possible with the area of consumption. McNabb is also adamant that *intense* cultivation (practiced by the small land holder) yields at a much higher rate than does *mass* cultivation. McNabb roots this primarily in the phenomenon of motivation. A farmer utilizing the former cultivation must work to live whereas a farmer utilizing the latter can produce yields at a much lower rate per acre and still turn a profit. Although McNabb is writing well before many of the technological developments that have made industrial farming considerably more efficient, nevertheless his points still hold. In the case of farming, the greater the area of cultivation, the wider the area of distribution, the higher the transportation costs, the greater the need for preservatives, the worse the food typically tastes, and the more deleterious the long term health effects. These same principles apply for industry more generically.

GOING FORWARD

Distributists argue that a widening of ownership provides the only stable and perduring basis for society whereby man is buffered from the increasingly absolutist claims of a capitalist state heading towards socialism and servility. They propose the co-operative business model (e.g., Mondragon in Spain, Eastern Wholesale Society in Nova Scotia), rather than the shareholder-owned firm to promote this move and attain a more just and subsidiary society governed by principles of Catholic Social Teaching.

With the theory thus laid out, the connection to praxis may not yet be entirely clear. Given the practical goal of implementation, here are a few recommendations of ways by which distributism can alter and perfect the shape of everyday life:

- 1) *Set aside some place in your home that is truly simple.* This may mean clearing the entirety of a horizontal surface of trinkets and leaving nothing there except a crucifix. Christ came into the

world poor and left it poor. This will teach us to better appreciate poverty.

2) *Keep a garden.* You have not tasted a tomato until you do. To work the land, even on a small plot, will afford the great delight of having brought forth something of real, abiding, and satisfying worth.

3) *Promote local business.* You can probably depend more upon local business to take a perduring interest in your town and region. Thus, when the going gets tough or demographics shift, you can help ensure the continued presence of a neighbor and friend from the encroachments of corporations which may be more motivated by concerns dictated by market price and short term dividends.

4) *Study modern Catholic Social Teaching.* Distributism takes as its starting point the principles enunciated in the social magisterium beginning, in the modern context, with *Rerum Novarum*. It may be profitable to foster discussion groups and/or lectures series at the parish level to undertake this as a communal enterprise, thus performatively incarnating the principles at stake.

5) *Pray for our country.* *Rerum novarum* taught that ownership, by wedding man to the soil, promotes the flourishing of patriotism. Our country will not be transformed but by love, and what better way to practice this than by committing it to the care of Love Incarnate.

Gregory Maria Pine entered the Order of Preachers in 2010.

REPLIES

A REPLY TO AN ALTERNATE PROPOSAL

Distributism carries powerful appeal to any Catholic looking at the state of the public square today, and rightfully so. Distributists like Br. Gregory start from many sound philosophical premises. They highlight serious social and economic failures of our time, and point towards root causes like runaway materialism and individualism. Distributists speak a language of human flourishing, virtue, and rootedness in family and community. As an admirer of Edmund Burke and a student of St. Thomas—and even simply as a Christian—I find much to admire and respect in the distributist disposition. Democratic capitalism, if it is to avoid collapsing into avarice and injustice, needs the benefit of a distributist-style critique to cast a light on disordered desires and stunted views of happiness.

That said, distributism cannot be a genuine rival system to capitalism. What makes distributism so appealing—its rhetorical flourishes, its bracing rejection of the conventional wisdom, its visceral attachment to the best of the past—also constrain it from being a comprehensive account or program. Distributism is more literary than scientific, more historical romance than legislative agenda. This explains some recurring difficulties in the distributist literature: questionable or polemical definitions, unfair generalizations, and a paucity of concrete proposals.

Distributist accounts too often take a given good and exaggerate or absolutize it. Living in closer union with the land surely has its merits, but this vision of the pastoral idyll ignores the fact that pre-industrial agricultural life for most people was (and still is) nasty, brutish, and short. Locally grown foods are certainly praiseworthy,

but they would quickly weary many palates accustomed to the great variety and quality that larger markets provide. Subsidiarity and localism are important antidotes to modern dissociation, but there are correlated dangers of inward-looking parochialism. Thinking more about genuine needs than just growing one's bank account is worthwhile, but do distributists truly believe that a barter system would be preferable to currency? Would they propose to free the masses from wage slavery by chaining them to the family farm?

Distributists like Chesterton, Belloc, and McNabb all reacted to the Dickensian squalor of British cities, as well as to the moral and intellectual upheavals of modernity. And with good reason—there is much that ails the modern mind and the body politic alike, and we know all too well that mere “progress” will not lead to genuine human happiness. But this does not mean that some return to the countryside *en masse* is the answer. Agriculture is indeed vital, but it is one part of man's economic life, prone to vagaries and hardships like any other. An atavistic rejection of modernity forswears the hard work of dealing with the messy, morally ambiguous realities of any economy.

Too many distributists ignore the virtues of the city, on both a philosophical and practical level. To say that man is a social and political animal admits that he is in some way part of the *polis*. Cities are extended networks of social and political communion between men, centers of thought and activity. Culture and commerce both flow from the city, which makes possible the exchange of goods and ideas. The wealth of the city funds scientific research and works of art, great public buildings and private properties alike. There are indeed instances of evil, of injustice, of inhumanity in cities—but this proves their need for redemption, rather than sealing the case for their abandonment.

If distributism is understood as a corrective impulse within capitalism—a reaction to some of its vices—then it can serve a useful role in evangelization. Indeed, Br. Gregory's list of concrete

distributist proposals—prayer nooks, home gardens, co-op memberships, and reading lists—is quite helpful in this context, as the fruit of philosophical reflection on human happiness and economic activity. All of these are healthy correctives to disordered desires that easily develop in a capitalist society.

Distributism is dangerous, though, when it purports to be a “third way” alternative to capitalism. This kind of secessionist attitude to the modern economy runs contrary to the Church’s mission to spread the Gospel in the public square—which includes both culture and commerce. We must cultivate a spirit of *aggiornamento* in engaging with the world of business and exchange. This is not because the free market economy is free from sin and injustice. Rather, it is precisely because there is sin and injustice that the Church must be proactive in forming consciences and reordering desires. Democratic capitalism is not intrinsically evil, but it can cause grave harm when materialism goes unchallenged. The Church cannot perform this saving work unless it gives due respect to genuine economic science, even as she proposes a fuller vision of human flourishing than any economic system could ever satisfy.

— Henry Stephan, O.P.

A REPLY TO A DEFENSE OF CAPITALISM

Br. Henry’s article displays a skillful command and principled application of economic theory in an excellently constructed apology for free market capitalism. He persuasively defends capitalism as not merely salvageable, but even as preferable to competing systems. I greatly appreciate the article’s postlapsarian preamble and prudential consideration, framing the contingent matters that factor into an evaluation of competing claims for economic ascendancy.

While I may appear to be seizing upon a point of only tangential importance, I think that the key divergence arises from principles.

Br. Henry begins with the assertion that “the Gospel of Jesus Christ, after all, is concerned first and foremost with a supernatural reality—the means by which we realize our final end of eternal union with God—while markets are concerned with more earthly matters.” While it is somewhat unclear what he intends by means in this context, I think he applies a metric with too limited a horizon in evaluating the efficacy of economic policy.

Though market analysis is a thoroughly practical science, relying upon right reason in the applied realm, this in no way necessitates that we limit our considerations to merely prudential principles available to the social sciences. My argument, properly more philosophical in form, is that economics, must submit its principles to the judgment and orientation of a higher science. This “revelation” includes the claim that the end of every man and woman consists in the highest exercise of his or her highest power, namely, the intellect. This entails the discovery of an infinite object proportioned to the infinite need of the human soul. In the realm of the science that is properly theological, we speak of this as the beatific vision, though a properly Christian revelation is not necessary to advance the argument, nor would its introduction conduce to the application of these principles in the secular sphere.

With the end mapped out thus, it stands to reason that this aforementioned perfection is begun on earth by contemplation. Thus, all of the arguments in favor of a distributist reorientation of economic policy formally qualify as conducing to this end of contemplation. That man and woman be rooted in the soil, possessed of their own property, constituted as good stewards of the creation with which they are entrusted ... these all work unto the attainment of the final end.

The complementary claim is that free market economics tends along the contrary trajectory. The free market, I argue, appears formally in many respects as a near occasion of man’s denigration (I replace the term sin, in order that the argument remain properly

philosophical). While I concede the reality of the benefits to which Br. Henry adverts (reduction of global poverty, spread of peace, and the saving of lives), it remains the case that these goods necessitate a further orientation that takes into account the full breadth of man's capacity—a breadth which free market economics is ill suited to provide. I do not believe that it asks too much of an economic policy to organize the civil polity in such a way as to promote the flourishing of virtue. Not only, I argue, does this not obtain when the principles of free market capitalism are applied, but it seems to introduce as principles the occasion for contrary motion. For instance, one can discern in the inner logic of competition, on which free market economics is based, a movement that tends contrary to benevolence among its citizens. Competition, while indeed incentivizing merit, also incentivizes any means by which to hamstring the efficacy of a competitor's production. It thus presupposes the presence of a certain virtue in the businessman, while not necessarily incentivizing the continuation and growth thereof.

So, while it may seem easier to concede the capitalist system we have inherited and make the best of it, I do not think the practice is sustainable in the long run, especially given the seemingly inevitable slump into socialism and whatsoever lies beyond.

— *Gregory Maria Pine, O.P.*

RECAPITULATION

After reflecting on these pieces the words of the psalmist come to mind: "How good and pleasant it is when brothers dwell in unity!" Unity? More like disunity, you may say. But I think not, although my reasons will have to wait until after a summary. Remember the question: how should one dwell economically in the modern world?

Br. Gregory ably defends the Distributist position through the writings of Chesterton, Belloc, and Fr. McNabb, OP. He argues with first principles in mind: What economy is best fitted to human nature? Capitalism, with its placement of wealth in the hands of the few, tends towards dispossession, disorder, and wastefulness. Distributism is championed as a truly free market, with property and capital distributed among the widest proportion of people possible. This “third way” emphasizes real ownership, the dignity of work, and proper stewardship of God’s good gifts. Aware of creeping abstract nostalgia, Br. Gregory offers simple practical solutions to start living the distributist way in one’s own life, including promoting local businesses and engendering a spirit of simplicity. These steps, though small, plant seeds for a just economy.

Br. Henry takes up the mantle of capitalism in his well-articulated defense of the free market. Abjuring a “moral free-for-all,” he claims that the guiding principles of capitalism take into account a realistic view of human nature, a scarcity of available resources, and the virtues of competition for human flourishing. Not content with mere principles, he delineates the benefits capitalism has provided us in the modern world: peace, economic prosperity, and technological advance. Life is better because of capitalism! But this does not mean all is well on Wall Street, and the way forward in economic renewal should focus on a re-animation of capitalism with Catholic truths and Gospel values. Reform, not revolution, is the call for all Catholics today.

Distributism and capitalism? What could they possibly have to do with one another? More than one initially thinks, I propose. Both systems, if systems they be, are interested in the right and just use of private property and capital. Both abhor Statist solutions and ridiculous regulations in daily affairs. And while Br. Henry criticizes distributism for being too idealistic, it is Catholic ideas and principles upon which he calls in the rejuvenation of capitalism. Likewise, Br. Gregory critiques capitalism for its focus



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on practice without proper principles, yet his solutions are perfectly pragmatic; to be a distributist is to start being a distributist. Perhaps the difference between the two is more a matter of emphasis than fundamental disagreement. For both would agree with Pope Francis when he offered remarks at a soup kitchen in Rome: “a savage capitalism has taught the logic of profit at any cost, of giving in order to get, of exploitation without thinking of people.” And even raising the question is a good start towards thinking not just about the economy, but more importantly, the people it is meant to serve.

— *The Editor*