

# Capitalism needs Catholicism to succeed

By C.S. Morrissey  
Special to The B.C. Catholic

In October I had an opportunity to interview Richard Bastien. We were both in Ottawa to present papers at the Canadian Jacques Maritain Association's conference on "Religion, Philosophy, and Economics" at Saint Paul University and Dominican University College.

Bastien studied public finance at the University of Montreal and at Harvard University and spent most of his career working as an economist in the Canadian Ministry of Finance. He is currently editor of the *Canadian Observer*, a magazine devoted to culture, politics, and public affairs.

In this interview Bastien offers insight into why education of the conscience is more important than government control of the economy.

**C.S. MORRISSEY:** Does the Catholic Church have any teachings about economics that the "Occupy Wall Street" crowd should know about?

**Richard Bastien:** Over the past 140 years the Church has issued a series of statements on social and economic matters that have come to be known as Catholic Social Doctrine.

Most of its views on specifically economic issues are set out in five encyclicals: *Rerum Novarum*, issued by Pope Leo XIII in 1891; *Quadragesimo Anno*, issued by Pope Pius XI in 1931; and *Laborem Exercens*, *Sollicitudo Rei Socialis* and *Centesimus Annus*, issued in that order during the pontificate of Pope John Paul II.

**CSM:** How would you sum up what those encyclicals teach? What are their most neglected teachings?

**RB:** Certain points regarding these encyclicals are worth emphasizing. First, all of them unequivocally condemn socialism, even in



Lucas Jackson / Reuters / CNS

Demonstrators from the Occupy Wall Street campaign hold signs at a protest march Sept. 30 in New York. In C.S. Morrissey's interview with former economist Richard Bastien, Bastien notes the "Occupy Wall Street Crowd" need to familiarize themselves with Catholic Social Doctrine.

its softer forms. Second, they argue strongly in support of private property, which they consider essential to human freedom.

Third, they uphold the right to unionize, which was not generally recognized and was even challenged in most Western countries at the time *Rerum Novarum* was published. Fourth, they promote the principle of subsidiarity, which says that nothing should be done by large and complex organizations that can be done as well by smaller and simpler ones.

**CSM:** So what then is the Church view about capitalism and the market economy?

**RB:** One must distinguish between the papacy of John Paul II and that of his predecessors. While Leo XIII and Pius XI never formally condemned capitalism, they took a rather dim view of it. Both made it clear that capitalism and socialism cannot be put on the same footing,

but did not explain clearly what separates them.

For example, after having stated that "no one can be at the same time a sincere Catholic and a true socialist," Pius XI refrained from making the same point about defenders of the free market. However he did lament the "tottering tenets of liberalism" and "the evil of individualism," and spoke of an "inexorable economic law" according to which "all accumulation of riches must fall to the share of the wealthy, while the working man must remain perpetually in indigence."

He never addressed the issue of what might have made such a law "inexorable," thus leaving the impression that something was profoundly wrong with capitalism *per se*.

**CSM:** So Leo XIII and Pius XI weren't against capitalism; they were just ambiguous about it?

**RB:** It is difficult for an econo-

mist, even one deeply attached to the Church, not to detect a certain ambiguity in these papal documents.

While clearly supportive of the market mechanism, they tend to take a critical view of the economic doctrine that underpins it, lamenting in particular its "materialism" and its "individualism," but without ever addressing the issue of whether these features are required by it.

**CSM:** But what about John Paul II? How did he remove the ambiguity?

**RB:** Over the past 50 years we have come to realize more clearly that capitalism need not be linked to any particular philosophy, and that, indeed, it rests on a set of scientifically established principles. This is what led to the publication in 1991 of John Paul II's encyclical *Centesimus Annus*, seen by many Christian economists as a major breakthrough in Catholic social doctrine, and perhaps best described as a manifesto for ordered liberty.

It starts out by condemning socialism for its denial of human freedom, a denial which, the Pope says, is rooted in atheism and leads to a situation where "the life of society becomes progressively disorganized and goes into decline."

It then goes on to condemn laissez-faire capitalism, otherwise known as libertarianism, because of its reduction of human freedom to a form of "self-love which leads to an unbridled affirmation of self-interest and which refuses to be limited by any demand of justice."

Having rejected the socialist and libertarian systems on the basis of their "faulty anthropology," *Centesimus Annus* then argues in support of a regime that affirms human freedom without ignoring human weakness.

**CSM:** Human weakness may tend to a selfish use of markets, but doesn't it also tend to abuse government power and deny freedom? What does *Centesimus Annus* say about the dangers of using state power to try and achieve "social justice"?

**RB:** The most relevant passage in this respect is the following: "When people think they possess the secret of a perfect social organization which makes evil impossible, they also think that they can use any means, including violence and deceit, in order to bring that organization into being. Politics then becomes a 'secular religion' which operates under the illusion of cre-

ating paradise in this world" (para. 25).

**CSM:** What is the biggest mistake made by most "social justice" activists?

**RB:** There is in *Centesimus Annus* a cultivated skepticism about the state and a positive attitude toward a regulated capitalism. Today, though, many Christians take a very different view.

Whatever skepticism they cultivate seems directed first and foremost at capitalism, while whatever political change they advocate is directed at enlarging the role of the state – the exact reverse of John Paul II's teaching.

These Christians view capitalism as a source of greed and egoism, and the state as a source of justice and equity. They assume that only through increased government intervention can economic efficiency and social justice be reconciled.

These market skeptics point to a true problem but to the wrong solution. They "moralize" the economy by enlarging government functions and, in doing so, reduce economic efficiency. Market skeptics seem unaware that there is another solution, much more efficient and much more consistent with the "liberal" outlook that informs *Centesimus Annus*.

It consists of abandoning the notion of the privatization of morality and of acknowledging clearly that we are all bound by an objective moral law.

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## Letters to the Editor

### Even saints do wrong

**RE:** the article "HPV shot immunizes against responsibility" by Monica Perry in the Oct. 1 issue.

We read Monica Perry's article with great interest. She interpreted a school permission slip for an HPV vaccine as a gilded invitation for teen sex

tion. Studies have demonstrated that in the 14-19 age group in the U.S., some 24.5 per cent of females have indications of prior HPV infection. Waiting until girls are of legal age (18 in B.C.) may be too late to afford protection to many of them.

3) Randomized clinical trials, many of which have been con-

which harshly indicts access to potential life-saving vaccines is not in keeping with community standards of harm prevention, or with Catholic values of social justice.

Furthermore even saints (St. Augustine comes most readily to mind) make mistakes while young! Getting angry is one



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