

May 1993

60.4

day. If we had continued to understand the meaning of this day, and had continued to sing out our belief that Christ's human life began at conception, perhaps legal abortion would not have gained the

foothold it has today. Can it be that we will have to celebrate March 25 again in order to get rid of abortion?

Readers who would like to receive some Annunciation carols may write me, enclosing

a stamped, self-addressed envelope.

Helen Dietz  
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## BEYOND REAGANOMICS & CLINTONOMICS

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### Thomas Storck

# Distributing America

It is said that the collapse of Communism has proven that our economic system is not only better than a command economy but the best there could ever be. Are our economic problems therefore only specks on an otherwise smooth surface? The answer depends mostly on what you think the purpose of economic activity is.

Americans take the economy as a given. Instead of trying to ascertain its real purpose — asking what it is meant to produce and what the relationship between economic activity and the nature and good of man is — and then judging how well our economy measures up, we accept unemployment, labor strife, extremes of wealth and poverty, unlivable cities, and mountains of garbage as inevitable by-products of economic activity. We are told that the downturns in the business cycle are the unavoidable effect of market forces that, in the final analysis, work for our good. We know well that modern work, both because of the way ownership and control are structured and often because of the actual work itself, tends to the destruction of what is most human in mankind. We read of families and communities destroyed by plant closings or bitter strikes. But seldom do we ask: Can we have any control over all this? Is the economy supposed to serve man? Or are we to twist ourselves and our families to fit the impersonal

demands of the economic juggernaut?

As soon as one asks questions about the purpose of economic activity, it should be obvious that the economy exists for man's sake, not the other way around. If the economy does not support our social, family, intellectual, and spiritual life, if it often works against what matters in human life, then we surely have the right to restructure it so that economic activity is conducted, as much as our fallen nature allows, in support of mankind.

The one big argument employed by defenders of our economic system is that it delivers the goods. What goods, to whom, and at what price are mostly not discussed. Of course, Marxism did not deliver the goods, certainly not at the level and quality we have become accustomed to. But if we look beyond the superficial glitter produced by our own economic system, we will perhaps wonder whether there is some alternative to both capitalism and Communism that respects the nature of man in ways that neither capitalism nor Communism has done.

The thrust of Catholic teaching on economics has always taken a critical view of at least the extreme forms of capitalism. Indeed, there are many who believe that the logic of Catholic social teaching is opposed to anything that can reasonably be called capitalism. Historically, there have been differing emphases among Catholic theorists on alternatives to capitalism. Many on the European continent, especially before World War II, concentrated on developing theories of the "corporate state," an order whose centerpiece was the "corporation" (i.e.,

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the occupational group or guild, an autonomous body made up of all involved in a particular industry or profession, regardless of whether they were laborers or managers). Pope Pius XI warmly recommended such bodies in his 1931 encyclical, *Quadragesimo Anno*. In the U.S., our version of this was officially christened the "Industry Council Plan" by the American Catholic Sociological Society, and this name was endorsed by the American bishops in their pastoral letter of November 1948. (Interestingly, in the ACSS vote, the term "industrial democracy" came in second.) Although Catholic writers and labor activists worked to popularize the Industry Council Plan in the U.S., and although a few important political initiatives of the era were reminiscent of such a system, including the New Deal's NRA, nothing much came of such proposals. After Vatican II even most Catholic thinkers lost interest in them.

In England, however, an important group of thinkers called the distributivists, including G.K. Chesterton, Hilaire Belloc, and Fr. Vincent McNabb, worked on what are sometimes considered different lines. The distributivists, it was said, were less interested in the papally-sponsored occupational group approach and instead pushed for their own idiosyncratic and impractical system of dividing and distributing property. But in reality, the distributivist program, at least as conceived by its best exponents, was not in opposition to efforts to re-establish the occupational group. Nor, despite the distributivists' reputation for being cloudy-headed idealists, were their proposals impractical.

Indeed, in various places throughout the world, distributivist measures have actually been implemented. In this country, for example, fear of the economic domination that chain stores could exercise motivated numerous state legislatures to enact laws restricting their activities and their number of outlets. Efforts to enact distributivist laws in the U.S. probably reached their zenith when Congressman Wright Patman, the populist Texas Democrat, introduced legislation in two successive Congresses, the 75th and 76th, to place a national tax on chain stores, the amount of tax rising steeply with the number of stores. Though the bill did not become law, extensive hearings were held on it in 1940. Interestingly, such a tax is the key measure advocated by Belloc in his 1936 distributivist tract, *The Restoration of Property*. Now if a practical American

politician can introduce legislation designed to bring about one of the central elements in the distributivist program, then I submit that that program cannot be summarily dismissed as utopian. Moreover, when Patman's bill was introduced, such or similar laws were in force on the state level and in other countries.

If distributivism isn't so dumb after all, what exactly is it? As its name implies, distributivism stands for the wide distribution of productive private property. For Belloc and other distributivists, economic freedom meant not the freedom of the rich, ruthless, and powerful to dominate others, but the freedom of the ordinary man *from* the power of the rich, ruthless, and powerful, as well as from worry about the economic consequences of the ordinary vicissitudes of life, such as sickness or accident. If a person owns property that produces income, he is not nearly so much at the mercy of the rich and the powerful, for he has his own independent source of wealth.

The distributivists were well aware that our present industrial system could not continue unless there were many large firms employing thousands of people. How could each of these workers be an owner? In these cases a certain modification was in order: either co-operative ownership by the workers involved or ownership by the state. This may not be as perfect an arrangement as individual ownership of small enterprises, but it is the best that can be done with necessarily large

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concerns. Moreover, distributivist theorists showed that in some cases bigness was not a factor inherent in modern economic life, but could be overcome by determined efforts at decentralization. Similarly, it would be possible for small single-proprietor firms jointly to own certain large machines or facilities which all need for their work.

If this is what distributivism is, how can such principles be implemented?

Much like Patman, Belloc advocated a steeply graduated tax on all property violating the principle of distribution. Belloc's tax had three parts:

There must be a differential tax on chain shops, that is, on the system whereby one man or corporation controls a great number of different shops of the same kind. To control two such may involve but a small tax, to control three a larger one in proportion; and so on, with the curve rising steeply until the ownership of, say, a dozen in the territory over which the Government has power becomes economically impossible.

In regard to department stores, Belloc wrote: "The multiple shop also must be handicapped by differential taxation, based upon the number of categories with which it deals." And lastly:

The third form of tax is a tax upon turnover. Your large retail distributor who has only one place of business and who deals with only one kind of business can be, and is, in his own way, destructive to the small man just as much as the large distributor who owns chain shops or as a multiple department store.

Now this is basically what Patman's bill intended to accomplish, though it was not as thoroughgoing as Belloc's proposals, not being concerned with department stores or large-volume single-product stores. But it did contain an annual tax ranging from \$50 for 10 to 15 stores to \$1,000 for over 500 stores, and more if the stores were in different states. Of course, these sums should be adjusted for some 50 years of inflation.

Is such an approach feasible and is it just? If by "feasible" one means, will it accomplish its goal, the answer is yes. The tax approach

will go far toward producing a society of distributed property. For the purpose of the tax is simply to make it financially impossible for one man (or corporation) to own more than a few stores. Consider the nationwide — even worldwide — chains of stores and fast-food restaurants: You will see one or a few controlling what could be the productive property of many. Multitudes of people are economically dependent when, were property well distributed, they could be economically free. Each outlet of a chain could be an independent business. This would not only make for increased economic freedom, but also help to eliminate some of the uniformity that modern life imposes on us — that makes every town and region of the country look the same, and makes people wear the same clothes and eat the same food.

As to the justice of such a measure, if people were given plenty of warning of such a tax, say three years, there would be enough time for them to sell their excess property at fair prices. No injustice would be done to anyone.

More generally, if the economy exists for man, then no one has a right to any property that is harmful to the community. The right of private property is far from absolute, and exists for the convenience and good order of the human race. As the Catholic Church teaches, though governments do not have the right to abolish entirely or confiscate private property, they do have the right to regulate it considerably in the interests of the common good.

Where will potential buyers of this huge amount of property come from? How can those not already rich become owners? Many systems are possible, including government-guaranteed loans, but probably the best way is to levy a special tax on all exchanges of large-scale property during the three-year period leading up to the forced sales, the proceeds of the tax being put in a special fund for the purpose of making loans to the propertyless class for the purchase of the newly distributed property. And instead of a new government agency to administer these loans, they could be made one of the first items of business of the re-established occupational groups, which would be necessary to safeguard all the new small owners.

The distributivists were not advocating an end to bigness so that little enterprises could vigorously compete with each other, thus driving some firms out of business and starting

the cycle of economic domination over again. No, for a major, if sometimes underemphasized, part of their goal was the establishment of the very occupational groups championed by Catholic writers on the continent. Small property, once it had been re-established, would have to be protected by organizations to prevent a new concentration of property, money, and economic power in the hands of the few — thus the need for occupational groups.

This should allay fears that small stores' and manufacturers' prices would be less fair than those of discount chains. Though this has happened, it is because our free enterprise economy has no consciousness of the just price (that venerable Catholic concept). One of the chief purposes of an occupational group is to orient the particular industry or profession toward the common good — i.e., to act as the agent of the community (not of the state) to insure that this particular sector of the economy does truly serve the needs of society. Necessarily this includes provision for setting just prices.

Among the many duties of occupational groups, which include supervising product quality, enforcing environmental and labor standards, setting prices, deciding market shares, procuring raw materials in bulk, and providing health insurance for members, can be added owning very expensive equipment or even entire facilities. It might even be possible, for example, for the gas station owners' occupational group to own its own tankers and oil refineries and pipelines. Small retailers' vocational groups could own warehouses. Perhaps it would be possible to decentralize some manufacturing processes, so that the primary processing of the raw material (e.g., steel) is done at a large plant owned by the occupational group, and the semi-finished goods are then further processed at small plants which are individually owned.

I have been speaking of individual ownership as the rule in a distributivist economy. But is this really possible and likely? Would not all these central facilities, whether warehouses or blast furnaces, require too many propertyless employees? Would they not be a permanent class of the economically dependent?

Possibly not. Even in the medieval economy, workshops required more workers than the owner and his family, and, at least in intention, all who assisted the master of the

workshop were themselves someday to become masters. The apprentice would one day become a journeyman, and after saving enough money, would set up as a master himself. There was to be no permanent class of proletarians.

As much as possible, one would want to continue this system today. But if, for example, the gas station owners' vocational group owned a refinery, could all the workers in the refinery ever hope to own their own stations some day? It is impossible to decide such cases *a priori*, but one can lay down the general principle: If it is not possible for a certain class of worker eventually to own his own business, then some alternative route, presumably co-operative ownership, must be open to him. It is unacceptable that there be economic freedom only for the few.

Now, of course, there will be some, even in a distributed society, who are not owners of productive property. There will, for example, necessarily be government workers. In the case of schools and universities, however, it might well be possible to revive the medieval form of organization in which the college is owned and controlled by a corporation made up of its faculty — a co-operative form of ownership. What about those doing other tasks for the college — groundskeepers, cooks, secretaries, and the like? Could not the university contract with the Groundskeepers' and Gardeners' Co-operative Society and with the Vocational Corporation of Cooks and Chefs for the necessary work to be done? And in general, this approach could be taken with most or all of such service work. The service workers, organized in their own occupational groups or employee-owned co-operatives, could contract with others, including the government, for their work. It would be preferable for individual owners of one-man firms actually to do the work under a contract, but where necessary the occupational group could co-ordinate the work of many small firms.

It is not possible to lay down beforehand how a distributivist economy would function in detail. But in going about setting up such an economy, much would become clear as we make progress toward the goal.

Right now the global economy seems like the 10 Chinese who lived by taking in each other's laundry. We produce without much reference to human needs or to the environment, merely so as to sell to others, while

others similarly produce so as to sell to us. With this conception of an economy, distributivism does not make much sense. But if ever enough of us begin to realize that the purpose

of economic activity is the fulfillment of human material needs, so that we can then better attend to what is most truly human about us, we might be willing to try it.

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## ON THE PERSISTENCE OF NATURAL LAW

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James G. Hanink

### The Pro-life Movement: Dead or Alive?

Jeremy Bentham, apoplectic over what he took to be the philosophic conceits of the French Revolution, offered this verdict: "*Natural rights* is simple nonsense...rhetorical nonsense — nonsense upon stilts." Appeals to such rhetoric he hotly dismissed as "terrorist language." His distaste for a metaphysically richer doctrine of natural law, within which natural rights might find a congenial home, would be equally strong. The utilitarianism that Bentham — and John Stuart Mill — did so much to advance continues to be thoroughly at home in the American psyche — however much it contradicts our own (sometimes indiscriminate) "rights talk."

For many of us a coherent and accessible doctrine of natural law is more rumor than reality — an exotic and even sinister rumor at that. There *was* a flurry of discussion about natural law during the tumultuous Clarence Thomas hearings. For a day or two, we were treated to the spectacle of philosophical "color commentators" on the evening news explaining natural law in 75 words or less. But Thomas himself downplayed the concept, and the public came away with the impression that "natural law" was a weird creature that had escaped from a think tank but was returned safely under lock and key. More comic still has been the emergence of a meditation-based Natural Law Party (doubtless there's been a copyright violation somewhere, and a lawyer is tracking it down). In any case, we need to

know much more about natural law.

The abortion wars seem to be winding down, do they not? After *Casey* this past summer, Robert Dworkin told us that "the center" had held: The Constitution had been saved, the zealots kept at bay. As Dworkin recognizes, court decisions characteristically involve value judgments. Perhaps the key value judgment behind both *Roe* and *Casey* was noted some 10 years ago by the utilitarian Peter Singer. He said that the sanctity of human life ethic, which he rejected as perverse, "is now starting to be eroded by the acceptance of abortion, which is the killing of a being that is indisputably a member of the human species..." and he welcomed this shift in opinion. It is now trumpeted that America accepts legal abortion and the abortion debate is over.

Yet we should beware of hasty conclusions. Natural law theory is resilient — and patient. It is unlikely that certain people will be shouted down, will ever slough off their conviction that unborn babies are human beings deserving legal protection. The obituaries for the pro-life movement we've been reading are premature.

Just what is natural law, and how does it relate to abortion? Richard Wollheim points out that the master idea in natural law theory, which has certainly been protean, is that nature grounds ethical judgment. In particular, human nature is the basis for ethics.

How one's view of the natural order shapes one's account of natural law seems most dramatic in the growth of Christian natural law thinking. Of course, Christianity emerged from Judaism, a Judaism which prepared St. Paul to write in his Letter to the

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