

The Chesterton Review

made a profit of over £1 billion by speculating against the pound. Soros has now written a book, *The Crisis of Global Capitalism*, expressing his worries that unrestrained financial markets are now undermining the social and ethical framework on which all economic activity rests. He even advocates tighter regulation of speculators like himself: "When I sold sterling short in 1992 . . . I was taking money out of the pockets of British taxpayers . . . the anonymous (trader) can ignore moral, political, and social considerations . . . but society cannot leave such considerations out of account."

The author was in London recently to address a House of Commons Select Committee. He warned Members of Parliament that the current economic crisis in Asia could lead to the kind of global deflation last seen in the Great Depression of the 1930s. In his book Soros is dismissive of the idea advocated by most economists that financial speculation is a good thing. Indeed, the book accuses economics of having become an ideology out of touch with reality, which it calls "market fundamentalism." Soros argues that financial markets are given to excess and can act like a "wrecking ball" imposing real harm on the underlying real economy. If one looks at the mass unemployment and growing hardship caused by the Asian economic collapse, it is hard to disagree with him. Perhaps the most striking thing about the book, however, is the author's urgent plea for society to

find a way of restoring a moral framework for economics: "One of the great defects of the global Capitalist system is that it has allowed the market mechanism and the profit motive to penetrate into fields of activity where they do not properly belong." He should be strongly encouraged to study Catholic Social Teaching, where such a framework is to be found. Many economists have attacked Soros's book, but no one can deny his expert knowledge of financial markets.

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Heinrich Pesch, *Heinrich Pesch on Solidarist Economics: Excerpts from the Lehrbuch der Nationalökonomie*, translated by Rupert J. Ederer. (Lanham, Maryland: University Press of America, c. 1998) 304 pages including index; \$46.00 cloth. For orders call: 800-462-6420.

Between 1905 and 1926 a German Jesuit, Father Heinrich Pesch (1854-1926), wrote and published a major economics text, the five-volume *Lehrbuch der Nationalökonomie*. Pesch was a trained economist as well as a priest, and one of the most important Catholic thinkers on the subject, for his ideas not only were a basis for Pius XI's social encyclical *Quadragesimo Anno* (1931), but numerous concepts used in the social teaching of John Paul II, including the term *solidarity*, come directly from Pesch. Yet his name is little known among English-speaking Catholics, and until now none of

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his *magnum opus* was available in English. But Rupert Ederer, himself Austrian born and Emeritus Professor of Economics at the State University of New York at Buffalo, who has previously translated some of Pesch's shorter works, has now given us excerpts from Pesch's great work, a work which ought to become widely known among Catholics interested in economics and social theory.

Anyone opening this work, and expecting to be confronted with the numerous graphs and equations that are now standard for economics books might be disappointed. But if he begins reading and thinking, he will realize that ordinary works on economics pre-suppose an entire approach to society and to the State, an approach which they do not bother to mention because it is simply assumed and never made explicit. Nevertheless, these assumptions about the nature and purpose of society and the place of economic activity in human life determine what our economic doctrines will be. To find a discussion of the assumptions which underlie modern mainstream economics one would have to go back not just to Adam Smith, but to John Locke's *Second Treatise* and his *Letter Concerning Toleration*. But Father Pesch devotes much of his *Lehrbuch* to just such a discussion, for he understands that economics must be grounded in some theory of society and the State, and ultimately even in a philosophical account of the nature of man, for to leave all

this unexpressed, as most writers do, is a form of intellectual fraud.

In the excerpts presented in the present work, Ederer has devoted about a third of his space to selections from volume one of the *Lehrbuch*, which covers Nature and Man, the State, and Solidarism, the name Pesch gave to his system which was neither socialism nor capitalistic individualism. Were someone to describe himself as neither a Socialist nor a Capitalist, but a Solidarist, it would give rise to considerable puzzlement. Both professional economists as well as the man in the street assume that some form of capitalism or some form of socialism are our only choices. But we do this because we look on the social order and the economy in a mechanical way, and then we choose whether we prefer a mechanism that allegedly works automatically or one that requires a massive central engine. Pesch, however, did not look on society as a machine or even as a physical organism, but as a *moral organism*. He writes: "The *concept of physical organism*, in any case, allows the individuals to appear to be 'organs which are subservient to the life of the social body,' like the 'cells in the life of the physical body.' The *concept of moral organism*, on the other hand, employs only an *analogy* between the physical structure and the social structure. Thus, the members of the social structure remain individuals who have *their own ends* as human individuals not merely with regard to the life in the hereafter, where

earthly social structures will not be present in any case, but precisely for and within the social structures" (p. 83). Thus while liberal individualism allows each man to pursue his own self-interest with little or no regard to the common good, and socialist collectivism regiment the citizenry so that, at least in theory, *all* of their personal actions are only for the good of the whole, solidarism allows people to pursue their own interests, but expects that "they subordinate their personal interests and the interests of their various associations to the wider community, in the event that they may conflict with them" (p. 77). For Pesch's system "tries to avoid the fallacies which are contained in both the individualistic and the socialistic system, while trying to retain what is right in both of them. It comes to terms with the importance and needs of the individual and with individual differences, but also with the requirements which are part and parcel of living together in community with others, and which are the logical outcome of such social living" (p. 76).

Father Pesch grounds this social and economic theory in several facts, facts which should be indisputable to a Catholic. The first is our necessary mutual interdependence, to help each other, to allow for the division of labour, to make possible individual development. He quotes St. Thomas that "Nature provided animals with . . . their instincts; but for man, nature provided . . . society so that one person would help the

other" (p. 7). And secondly, since this mutual dependence "has its foundation in man's rational nature as one of its imperatives, *solidarity* also represents a moral relationship between man and his fellow man" (p. 9). And instead of hastily going over these facts and then proceeding to build a system based on nothing but his own fancies, Pesch, in a sense, draws everything else out of these basic principles. Thus he spends much time in the first selection presented here speaking of solidarity in general before he speaks of it in the economic order. He sums up the main principles of solidarity as: first, our natural interdependence on each other; secondly, the necessity for solidarity to become a principle of the legal system calling "for co-responsibility for the well-being of the whole as a moral obligation incumbent on both government and fellow citizens" (p. 86); thirdly, the formation of various intermediate groups in society and the economy, and finally, solidarity "as a *charitable principle*" (p. 87) to unite all the members of society. It is such principles that he develops in the rest of his work as he sketches a solidaristic economy.

Excerpts from volume two of the *Lehrbuch* comprise the second part of the translation, and here Father Pesch begins to apply his theory of Solidarism to the economy in particular. Here the parallels with Pope John Paul II's social teachings are numerous and impressive. For example, Pesch begins by making the

“working human person” part of the “basic premise” of his system; indeed he calls his entire system the “Solidaristic System of Human Work.” Consider these two passages, the first from Pesch, the second from John Paul: “It is the working human person who is the lord of the world, with labor being the inevitable means for exercising dominion over the world, so that work is for man a natural necessity” (p. 109). “Man is made to be in the visible universe an image and likeness of God Himself, and he is placed in it in order to subdue the earth. From the beginning therefore he is *called to work*” (Encyclical *Laborem Exercens*, prologue). Since Pesch places the working person as the centre of the economic process, he avoids the conventional triad of land, labour and capital as co-equal economic factors, for while “the purposeful personal activity of human beings guided by the human intellect is not the only factor . . . it is the highest and most important” (p. 111). Therefore Pesch spends much time discussing how working human persons are to relate to one another in solidarity. Solidarity, which he at one point calls the principle of “One for all and all for one” (p. 116), exists among all the members of the human race, all the citizens of a country, and among all those who work in the same industry or occupation. With this latter, he introduces the concept of the Occupational Group, a concept not very familiar to the contemporary reader, especially in English-speaking countries.

The occupational group, sometimes called the industry council by American theorists of the 1940s and 50s, was a device designed to overcome the difficulty of bringing order to an economy without necessitating the heavy hand of central government regulation. In brief, it was to be an organization of all who worked in the same industry, whether as labourers, managers or owners, for the sake of the industry’s prosperity and for the common good of the entire economy and society. The concept was adapted from the craft guilds of the Middle Ages, but thoroughly re-worked for a modern setting. Occupational groups were suggested by Pope Leo XIII in *Rerum Novarum* (1891), discussed in detail by Pope Pius XI in *Quadragesimo Anno* (1931), often and strongly championed by Pope Pius XII, and clearly alluded to by Pope John Paul II in his own social documents, especially *Laborem Exercens* (see sect. 14). They are truly a key to understanding not only Father Pesch, but the entire tradition of Catholic social thought. These groups would work to solve problems internal to the industry, such as industry wide collective labour agreements, safety standards and negotiations for contracts with suppliers of raw materials, and with those on the outside, both the government and the general public, working both for their own prosperity and for the common good. One can hardly exaggerate their importance for bringing about a just economy and Pesch mentions them in

connection with numerous crucial points, as we will see. Moreover, they are not foreign to the Distributist tradition either. In *The Restoration of Property*, for example, Belloc recognized the central role that they would have to play in any economy of well-distributed property, precisely to prevent property from again becoming malapportioned.

Another important matter Father Pesch discusses in this section is private property. He begins: "Of the utmost importance, however, is the need to do away with the individualistic concept of private property, and the refinement of the institution of private property by the introduction of the social perspective" (p. 138). Pesch naturally roots private property in man's "rational nature . . . [which] found the kind of order which was most in harmony with his human nature and with the needs of social order and cultural development" (p. 139). But this right to property is also subject to the demands of solidaristic unity. It is shaped by legal, historical and cultural factors, and especially it "brings with it moral and social obligations" (p. 139). Property is not an end in itself and it must be "subordinated to serving the needs of all of the people" (p. 140). This is exactly what St. Thomas taught, and Pesch notes that Leo XIII quoted St. Thomas to the effect that "A man ought to regard external things not as belonging to himself, but as a common good which he owns along with

others, inasmuch as he ought to be prepared to share with those who are in need" (p. 141). But, Pesch notes, it is not just needy individuals who have a kind of claim on one's property, but "the use of property must be tailored to the requirements of the common good of the political community. . . . That is why the free enterprise concept of an absolute private property right is out of order" (p. 141).

Of course, Father Pesch is equally critical of all socialistic or communistic schemes to appropriate all property to the State. Yet, just as Pius XI did in *Quadragesimo Anno*, Pesch allows that there may be certain forms of property "which are essential for certain industries or even for all of production [which] seems to indicate such overriding economic importance that it should not be left for private capital to exploit it" (p. 148). This leads him into a discussion of land and particularly of farmland. Here the State's task is not to own farms itself, but to encourage the breakup of large estates and the increase in the number of small and medium-sized farms. But even here much could be accomplished by the direct actions of large private landowners divesting themselves of unused land, *if* they were motivated by a Christian spirit. Pesch notes that in the Germany of his day this was actually occurring in some regions.

Another topic Father Pesch takes up in this section is labour relations. In a passage presaging Pope John Paul's own teaching, he writes

"It is not capital and labor which are bound by a labor contract, but the worker and the employer; it is a person-to-person relationship" (p. 159). We are accustomed to speaking of *forces*: labour, capital, industry, agriculture, and so on. But Pesch reminds us that talk about such abstractions ignores what is precisely most important, the human person.

Father Pesch, of course, reiterates the teaching of the Church as to workers' rights to a living wage—"sufficient so that even the unskilled worker will have enough to live on at a decent human standard" (p. 159)—and he points out that with the achievement of *political* equality, workers are not content with being economic slaves: "Their self-respect will not allow that they be regarded as somehow socially inferior, where the working class is viewed as a sort of social underworld, as an appendage of the other classes, as the object of benign patronage, or as a welfare client" (p. 160). Such a spirit of self-respect may have been more common in Pesch's Germany than in today's United States, where the decline of unions and the globalization of capital have too often made workers willing to accept substandard wages and working conditions.

Father Pesch devotes much space to the question of freedom, in particular, to the freedom of competition in the economy. He justly points out, "It is not freedom but *order* which provides the basis for society. . . . When the older school of economics erected *free competition*

into a principle that was valid for all times, it proceeded on false premises" (p. 167). In almost the same words as Pope Pius XI was to use in *Quadragesimo Anno*, Pesch writes, "Absolute free competition will destroy itself through the conquest of the more powerful and the elimination of the weaker" (p. 167). Applying these truths to specifics, he shows for example, that the preservation of the national economy is more important than the principle of free trade, which can at times be useful, but is always a subordinate principle, subordinate to the national welfare. Surely it is absurd to argue that a nation in which good jobs are constantly being lost, resulting in the depopulation of towns and the breakup of families, is somehow better off because it can import certain goods more cheaply than it had hitherto manufactured them. Such notions reduce man and society to mere numbers, and elevate the cash nexus to the position of a god. For some time now this god has been well served by the economic elites of this country and much of the world, to the end that the stock portfolios of the wealthy are continually being enriched while the lives of human persons and their communities are disrupted or destroyed. This is the real reason that the free trade doctrine is so zealously promoted: not to save consumers' money but to make the rich richer.

Lastly, Father Pesch takes up in this section the question of the various virtues necessary for the suc-

cessful establishment of a solidarist order. He discusses the various kinds of justice—commutative, distributive, legal and social—as well as their crown, charity: “Justice and charity are different, yet they are not virtues which are juxtaposed to each other. They rather complement each other and provide powerful support, one for the other, in society. . . . Charity must . . . fill gaps left by justice” (p. 177). Pesch ends this part of his work with a nice review of Solidarism in which he places side by side concepts and acts which are sometimes considered opposed. For example: “orderly freedom, meaning no suppression of freedom by an unacceptable command economy, but also no freedom gone wild” (p. 184). This summary, which fills over a page, shows that Pesch has succeeded in sketching out a system which, in a sense, takes the best from individualism and the best from collectivism. But only “in a sense.” For actually, the spirit of Pesch’s system is neither that of capitalism nor of socialism nor of some unsatisfactory compromise. It is rather the spirit of the Faith, in fact, the human spirit, meaning the spirit most consonant with human nature. The fact that most of us seem satisfied with economic arrangements which do violence to man’s rational nature simply shows that most of us have never even begun to think about the roots of economics or the real needs of mankind.

After the two long excerpts from volumes one and two of the

Lehrbuch, in the final third of the book Ederer collects parts of volumes three and five, dealing again with the occupational group, with justice in prices and wages, and with the extremely interesting question of usury. In the short excerpt from volume three treating of the occupational group, Father Pesch is mainly concerned to make clear that in calling for the formation of such groups, he is *not* calling for a return to the Middle Ages. The medieval guilds were occupational groups suited to their times, to the technological and economic organization that obtained in the Middle Ages. In the modern technological and economic setting, a new form of occupational group is needed, one that will indeed fulfill their essential purposes, but which will do so according to the demands of today. Pesch points out that the guild-structure could have been adapted to changing circumstances, but instead the guilds were suppressed and destroyed, to the great detriment of the working man. He also reminds us that the urban economy was “filled with the Christian spirit during the Middle Ages” (p. 204). Whenever, then, we wish again to make our economy full of a Christian spirit, we know in what direction to go: the establishment of occupational groups and the other reforms that Pesch suggests. If we do not choose to go in that direction, then we may be certain that we are not really interested in founding our socio-economic order on a Christian spirit.

The first of the three selections from volume five deals with a topic even more off the economic horizon today than just wages or limitations on competition: namely, the just price. Most people, even many who are favourably disposed to the idea that economic activity ought to be conducted within ethical norms, regard the just price as a relic of the Middle Ages, perhaps valid for that time, but no longer so in our more dynamic economy. But Father Pesch insists that justice in buying and selling is not passé nor could it ever be: "where something is given in exchange for something else, the two things must be equal in value" (p. 214). That is, it is wrong to sell something for more than it is worth. This worth or value is determined by the *common* estimate of mankind, according to time and place. Nor is this as strange as one might think at first. Most of us, if we went to buy a loaf of bread and were told that the price was \$100 would be outraged. Our first response would undoubtedly be: "That's not fair," that is, "That is not a just price." Thus, even today, at least for many ordinary products in daily use, some sort of general estimation of just value does, at least to some extent, govern our notions of price.

In determining a just price, Father Pesch also stresses other factors, such as, that the cost of production must be taken into account, and that no one may justly take advantage of another's need or ignorance. And for the actual pricing of goods and ser-

vices, he advocates: "organizations within which producers, merchants, and buyers can express their views. In normal situations, the general consensus will provide an acceptably accurate approximation to the just price, so long as there is a proper kind of give and take between producers on the one hand and consumers on the other" (p. 221). And he also suggests that occupational groups could play a major role in regulating prices, again, for the good of their own members *and* for the good of the consuming public.

In this section Father Pesch, as well as the scholastic doctors whom he copiously refers to, is well aware of all the modern determinants of price: supply and demand, costs, scarcity, and so on. Yet throughout he demands that, without neglecting these factors, we also not neglect justice. When I part with a sum of money to purchase something, clearly I desire the purchased item more than the money. So subjectively considered, the item has more value to me than the money; and for the seller, the opposite is true. But objectively considered, there ought to be an equivalence between the two, and when there is not we have the situation where someone exclaims, "That's not fair!" Ederer presents only part of Pesch's teaching on just prices, and the entire section would certainly be a useful addition to understanding the subject. But enough is presented here so that Pesch's treatment should be the starting point for intelligent discus-

sion of the subject. Otherwise we will be taking sides on issues that we hardly know exist and attempting to settle controversies we scarcely understand.

The next section deals once again with the question of the just wage. Above, I noted Father Pesch's statement that even the unskilled worker must receive a living wage, "sufficient . . . to live on at a decent human standard." What is noteworthy about this section is the way in which he develops this teaching and integrates the "just wage as the economically correct wage." This is one of the most original and creative approaches to the subject of wage justice that I have ever seen, brilliant in its respect both for human persons and for economic facts. Pesch offers three situations, in each of which the justification for a living wage is made clear. After showing how a man's labour is of itself oriented and capable of providing a living for the worker, he goes on to say: "The employer who, by his own ineptitude, uses labor in such a way that it does not come up to doing what it is capable of doing, would nevertheless be required to pay the kind of wage which labor is intended to provide. However, if labor is utilized properly in accordance with its natural purpose, and the employer pays a wage which does not provide for labor's livelihood, then he violates *commutative justice*. Finally, an industry which, even under normal circumstances is not in a position to pay wages corresponding to what wages

are supposed to accomplish, is *lacking in economic justification*. This means that the requisite consumer demand is lacking, and such an industry no longer has a place in the pattern of satisfying normal human wants" (p. 245). This last point, that an industry which cannot pay a living wage, lacks "the requisite consumer demand . . . and . . . no longer has a place in the pattern of satisfying normal human wants" is a statement pregnant with implications. An industry that cannot afford to pay its workers a living wage because it cannot sell its products at sufficiently high prices to do so clearly lacks "consumer demand." It, therefore, has no place in a normal economy in which human work fulfills its intrinsic purpose of providing for human life. If the only way in which I can sell my product is to reduce my prices so much that I cannot pay my workers, something is clearly wrong with my business. My products are desired only because they are cheap. In fact, I must bribe the public to buy them, as it were. They are no part of a normal economic structure in which work, production, buying and selling, all cooperate toward a situation in which human persons live and work in justice and prosperity.

One can see many examples of such a situation today, as in the fast food industry. But perhaps the clearest example is the goods we import from China. As most shoppers know, it is difficult not to buy such goods, even if one wants to avoid doing so. Their low prices obviously appeal to

our desire to buy cheap. But how if this cheapness is purchased as the cost of slave labour abroad? There is an obvious economic distortion here, for if I am only willing to buy certain goods if they are produced with the advantage of no-wage labour, then I effectively proclaim that such goods do not belong within a normal economic system. Or if I am willing to patronize fast food restaurants only because they do not pay their employees a living wage, again what does that say about my real demand for such food? I want it only if its price is below what is necessary for the cycle of exchange to be effective. For, clearly, if everyone were paid substandard wages, there would be no buying and selling for no one would have enough to spend. So now we have the situation where, in fact, the exchange economy is subsidized by workers in industries who themselves do not earn enough to be genuine participants in real, human economic exchange. Thus we have an economy that depends, or thinks it must depend, on what amounts to quasi-slave labour, labour that is not reimbursed sufficiently so that it can take its own part in the cycle of buying and selling.

The fact that the great increase in eating out has been caused in part by the number of mothers who work outside the home is simply another indication of how evil breeds evil: One human and economic imbalance leads to another; one factor that disrupts the economic cycle as a cycle supporting normal human life neces-

sarily brings into being other such factors. Only if we regard the economy as a cycle of production and exchange that serves normal human life and the normal human family, only then can we eliminate such unjust and *unhealthy* institutions.

Father Pesch, in fact, says that high wages almost always do not ultimately increase labour costs, and in fact they indicate an economy in a healthy condition. "A high level of wage, if that represents a continuous ongoing condition, can also be regarded as proof that society is in a prosperous condition" (p. 263). Today the American economy is supposed to be booming, unemployment and inflation are low, the stock market is high. But despite this, many families feel compelled to have both father and mother work full-time outside the home simply to make ends meet. Though some of this feeling may be due to unrealistic expectations of a standard of living (largely fueled by advertising and the materialistic atmosphere of our society), still one must question whether we can really say that we are prosperous if a normal family life is no longer possible. It is in people, families and communities that economics is vindicated, not in statistics and the portfolios of the rich. This approach to the wage question turns on its head ordinary economic science. Catholics ought to realize from this just how deficient the tradition of economics stemming from Adam Smith is and see that it needs to be re-thought at every point. And Hein-

rich Pesch's thought surely ought to be one of the most important parts of that re-thinking.

Lastly, Ederer presents a discussion of usury by Father Pesch. Usury, like the concept of the just price, is today generally relegated to the attic of economic history. But also like the just price, usury should be a real question for our age, for the issue is still real, even if most of us are unaware of it. Almost everyone seems to think that somehow and somewhere the Church's teaching on usury changed. But as a matter of fact Leo XIII in *Rerum Novarum* (1891) speaks of it: "although more than once condemned by the Church, usury is nevertheless, under a different form but with the same guilt, still practised by avaricious and grasping men." Since Pope Leo seems to have been unaware of this alleged change in teaching, it might behoove us to understand the issue more clearly.

Briefly then, Holy Scripture, Aristotle, the medieval Popes and theologians, Pope Benedict XIV in an encyclical of 1745, and the 1917 Code of Canon Law teach that it is unjust for a lender to demand more back than the face value of the loan, *simply by virtue of the loan contract itself*. Money is a fungible or consumable object, like beer. That is, it is consumed in its use and one cannot return the very item which he has borrowed, unlike the loan of a lawnmower, for example. If I loan someone ten kegs of beer, by what right may I expect eleven back? Not by

virtue of the loan itself; but, as the mediaevals and Benedict XIV expressly stated, there may well be other reasons extrinsic to the loan itself why I can ask for eleven kegs back. For example, if I loan you the ten kegs and thus forgo having beer at my own party (relying instead on a sort of Methodist punch), then I may justly expect some compensation for my trouble. Or if I am in the business of supplying beer for the community, then, since I am helping the general good, I may expect compensation for my expenses: salaries, wages, overhead, and so on. There were three or four such titles, as they were called, which were recognized by mediaeval moralists as justification for interest. The question then is, can the modern routine use of interest be put under one or more of these titles, and thus escape the injustice of usury? After examining all the mediaeval titles in a modern context, Father Pesch decides that interest can be best justified on the basis of the general service which the lending of money holds in a modern economy. Though this justification for interest is not exactly the same as any of those used by mediaeval moralists, it is akin to them, and represents an extension or development, not an overturning, of the earlier view. But the most important thing to note here is that Pesch approaches the question ethically. The fact that the modern world charges interest does not make it right; the fact that modern economists regard it as natural does not make it right;

only clear thinking starting from the Church's standpoint can do justice to this intricate subject. Although I personally would have liked Catholics in the early nineteenth century to have opposed the introduction of routine interest taking, much as many contemporary Moslems are doing, even if such interest can often be justified, I believe that Father Pesch's rationale makes good sense and is probably the best moral explanation for the licitness of the habitual charging of interest in an economy such as ours. Of course, the fact that it can be licit to take interest does not justify any and all rates of interest, but only such interest as is legitimate re-payment for the service rendered.

This section on usury seems to be only part of Father Pesch's treatment of it. As in any book of excerpts, often one's appetite is whetted for more. But the selections given here, with the possible exception of the one on just price, are long enough to let the reader understand and appreciate Pesch's argument and approach.

This book is definitely not one for the casual reader. Father Pesch is frequently repetitive, he spends much time examining and quoting the ideas and words of obscure German thinkers from the end of the nineteenth century, and the progress of his argument is sometimes very slow. Nevertheless, the book will reward anyone who is willing to take

the time to work through and understand it. For here we find the systematic underpinnings that are necessary to a theory of society and the economy that is able to avoid the rocks and shoals of both collectivism and individualism. Today we are apt to think that since communism as an *idea* is all but gone, we need not worry anymore about the foundations of society. Let us just accept and even celebrate the capitalist order, perhaps making one or two adjustments here and there. But this is both wrong and foolish. Chesterton did not oppose capitalistic individualism because it seemed to him to be tottering, but because it seemed to him to be wrong. And moreover, when our capitalistic system comes crashing down around us, as it surely will, we will seem very foolish if we are its last apologists, too timid to think about fundamental social and economic change until we are forced to do so by events. If we are in any sense disciples of Chesterton let us remember that it was he who said "Capitalism is really a very unpleasant word. It is also a very unpleasant thing" (*The Outline of Sanity*, chap. 1). His struggle was against any modern form of insanity, including the insanity of capitalism. We are not fools if we take up where he left off; we are only fools if we do nothing in a fight that he himself recommends to all of us.

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