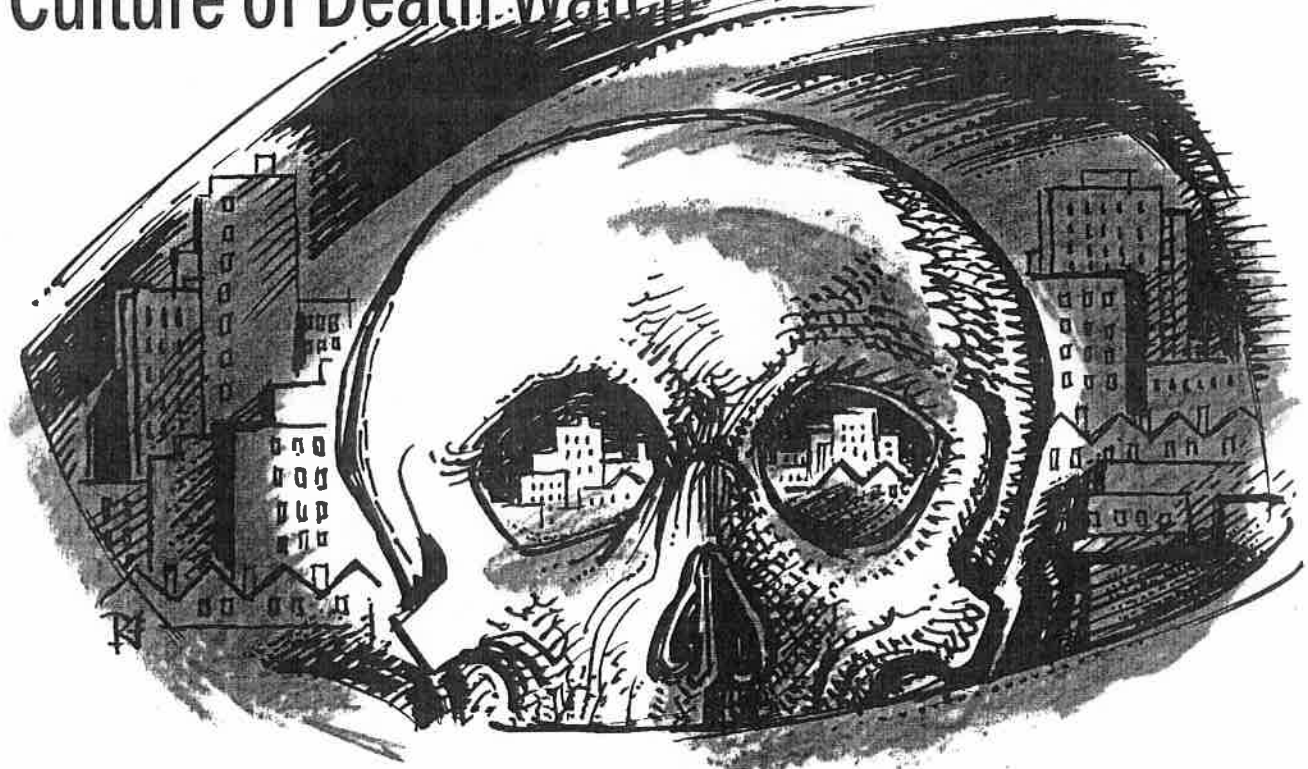


Culture of Death Watch



Pesch vs. Chesterton

The years between the two world wars were good times to live for Catholics interested in the social apostolate, in the role of the Faith in shaping or reshaping not only individuals but entire societies, cultures, political systems, the whole of our common life, after the pattern of Jesus Christ. During most of those two decades Achille Ratti reigned as Pope Pius XI, a pope whose efforts to promote social Catholicism included the establishment of the Feast of Christ the King in 1925 and the encyclicals *Quadragesimo Anno* in 1931 and *Divini Redemptoris* in 1937. The stated aim of the former encyclical was nothing less than “reconstructing the social order and perfecting it conformably to the precepts of the Gospel.” *Quadragesimo Anno* deals for the most part with the economic order, and its criticisms

of the free market and of the existing capitalist system were as trenchant as those made by socialists, while the second encyclical, *Divini Redemptoris*, although primarily directed against communism, likewise makes it clear that in the mind of Pius XI the existing capitalist economy was nearly as blameworthy as anything proposed by socialists or communists.

Catholic interest in “the social question,” as it was then called, was nothing new however. When England and Scotland, already largely capitalist, first began to industrialize and to grind down the poor and the workers to an unprecedented degree, Catholic Europe was largely unconscious. It was not until after the defeat of Napoleon in 1815 that industrialism began to spread to the continent, and almost immediately Catholics, both

clerical and lay, became alarmed at what they saw happening, not just at capitalist industrialism, but at the socialist reaction as well. And equally immediately, as by an instinct, they turned to the Catholic Middle Ages to look for social principles with which to counter both capitalism and socialism. What was unique in capitalism, or more correctly in the classical liberalism that stood behind capitalism, was the notion that the economic order was divorced from its place in the hierarchy of values that had hitherto been seen as the organizing principle of all of social life. Economic life, and consequently greed for gain, were now seen as legitimate and free from all but the most rudimentary ethical restraints. It is not too much of an exaggeration to say that as long as one did not murder his competitors or default

on a contract, one was free to do whatever he wanted. And socialism, the natural reaction to such an outlook and behavior, while it did understand that human society ought to be a fraternity of brothers and not a band of robbers, ironically ended up with a materialism similar to that which the capitalists lusted after.

Since at least the 1840s Catholics had begun to meet in small groups in several European countries to discuss and work out specific programs for social reform. Early theorists, such as Bishop Wilhelm von Ketteler of Mainz, Germany, presaged much of what would later appear in the social encyclicals of the popes. However, other Catholics were fascinated by the reigning classical liberalism and sought to capitulate or compromise with it. As a result there was considerable confusion among Catholics and (as Pius XI wryly noted) "discussions not always of a peaceful nature."

Although from the beginning of his pontificate in 1878 Leo XIII made statements on the social order, his first full-length social document was his encyclical of 1891, *Rerum Novarum*. In many respects cautious in its language, Leo was absolutely clear on two points, both of which were direct challenges to liberal capitalism: The free market was insufficient as an arbiter of justice, and workers had the perfect and inviolable right to combine into labor associations to work for their own betterment. Later popes would elaborate on Leo XIII's teaching, but for the time being this was sufficient to indicate the general direction of the Church's magisterium.

In the decades after *Rerum Novarum* Catholic social activity

increased apace. Congresses and conferences, study circles, Catholic trade unions, and many other manifestations of the new social spirit abounded in the Catholic world. In time the thinking and work of Catholic social theorists congealed into two main schools of thought: on the continent of Europe and in Latin America the trend of thought that later became known as solidarism, and in England that of distributism. Among North American Catholics both schools of thought were present and active, but probably the continental school was the more prevalent.

The man who became the chief theoretician for continental Catholic social thinkers was a remarkable German Jesuit, Heinrich Pesch (1854-1926). As a young seminarian Pesch spent the years 1885 to 1888 near Liverpool in England because Bismarck's *Kulturkampf*

volumes even before the last two were published. In addition, his two-volume *Liberalismus, Socialismus und Christliche Gesellschaftsordnung* (Liberalism, Socialism and Christian Social Order) appeared in 1899-1901, and he published as well a shorter work, *Ethik und Volkswirtschaft* (Ethics and the National Economy). Pesch's superiors recognized his talents and sent him to Luxembourg to devote his time to scholarship and writing, but the task of completing the *Lehrbuch* wore him out, and although transferred to Holland to recuperate, he died three years later in 1926.

Pesch termed his economic system solidarism, and solidarism has exercised a profound influence on Catholic social thought, evident especially in the writings of Pius XI and John Paul II. But before we examine some of the specifics

In the mind of Pius XI the existing capitalist economy was nearly as blameworthy as anything proposed by socialists or communists.

had driven religious orders out of Germany. It was this experience of the exploitation and degradation of the English working class by industrial capitalism that made him resolve to devote his life as a priest to the social apostolate. Although he was not able to take up the formal study of economics until he was nearly fifty, at the University of Berlin, he more than made up for lost time. His magnum opus was the five-volume *Lehrbuch der Nationalökonomie*, which appeared between 1905 and 1923. Pesch revised the first three

of Pesch's system, let us look at the other major way of organizing the economy advanced by Catholics in this era, distributism.

The English distributists are best known today because of their two outstanding figures, Hilaire Belloc (1870-1953) and G. K. Chesterton (1874-1936), but in their time there were numerous other distributist writers and activists, Catholic and non-Catholic, and organizations such as the Distributist League and the Catholic Land Movement. Although both

Chesterton and Belloc were public intellectuals widely read in many branches of thought, and Belloc was a history graduate of Oxford University, unlike Pesch neither was a trained economist, and neither produced anything comparable to Pesch's scholarly economic writings. In addition to a multiplicity of articles, Chesterton's social thought is chiefly contained in three books, *What's Wrong With the World* (1910), *Utopia of Usurers and Other Essays* (1917), written before his reception into the Catholic Church, and *The Outline of Sanity* (1926). Belloc's chief contributions to distributist thought were *The Servile State* (1913), *Economics for Helen* (1924), and *The Restoration of Property* (1936), this last being a sketch of how a distributist economy might be established.¹

Since the lives of Pesch and of the original English distributists overlapped, and since both were responding to the same set of economic circumstances, what is the best way to view their work? Is there a major conflict between the two approaches, or do they complement each other? Although there are differences, especially in emphasis, between them, I believe that overall the two systems share more than they differ. Especially is this true if we remember that distributism as an economic system can be distinguished from some of the more extreme projects for rural living made by certain distributists, and which are logically distinct from its economic proposals.

Both distributism and solidarism have their foundations in Catholic social thought that perceives that the economy must serve mankind as a whole and that economic ac-

tivity must be part of the hierarchy of human goods, not an independent thing, divorced from its place in social life, to be pursued according to the desire and cleverness of each individual economic actor. Pesch stated this principle at the outset of the *Lehrbuch*, when he wrote that "man must always and everywhere be the subject and end of the economy."²

GENERAL PRINCIPLES

But aside from such general principles, which in any case ought to be adhered to by all Catholics, what are the principles of the two systems and how do they conflict or reinforce each other? In the most general terms, one could say that both systems take their program from Pope Leo's *Rerum Novarum*, the solidarists from the passage "capital cannot do without labor nor labor without capital," (no. 19), and the distributists the passage, "The law, therefore, should favor ownership, and its policy should be to induce as many people as possible to become owners" (no. 46). But as we will see, just as Leo XIII wrote both these statements in his encyclical with no contradiction in his thought, so there is little contradiction in the fundamental thought of Pesch on the one hand, and of Belloc and Chesterton on the other. In order to see this more clearly, let us look at both solidarism and distributism with reference to three key topics in socio-economic thought, private property, guilds or occupational groups, and employment and wages.

As one might expect, Pesch and the distributists both fully accepted and supported the Catholic doc-

trine on private property. But I stress the Catholic doctrine, for that doctrine hardly agrees with the individualistic doctrine of private property, a doctrine which many are apt to mistake for the true Christian doctrine. Pesch states: "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."³ And likewise he notes that

property is not an end in itself; it is not a right for the sake of the right, or dominance for the sake of dominance and enjoyment; but it is only a means designed to provide for mankind in a manner appropriate for the well-being of the individual, the family, and political society. This purpose of private ownership gives rise to appropriate limits to the acquisition, expansion, and the use of property, and also to foregoing its use.⁴

This is exactly the teaching of Thomas Aquinas, teaching which is reproduced and restated by Pius XI in *Quadragesimo Anno* nos. 44-49.

The distributists, for their part, are best known for their proposals for widely-distributed private property. Just as in the thought of Pesch, the distributists held that although private property was a God-given natural human institution, the exact form and limits of property ownership had to serve the common good. From this fundamental point came the centerpiece of the distributist program, the widespread ownership

of private property, especially of productive property, and legal or other limitations on amassing excessive property. In *The Restoration of Property* Belloc puts forth a method for achieving well-distributed property by means of a highly progressive or graduated tax on business. For example, if someone owned one or a few stores his rate of taxation would be normal and reasonable, but if he began to acquire a chain of such businesses, then his rate of taxation would rise so sharply as to make the enterprise economically unfeasible.

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.⁵

And a similar scheme of taxation would attack "multiple shops," that is, stores selling many lines of goods, such as department stores, and stores with "large retail turnover," as well as similar aggregates of agricultural property.⁶ If someone objected that such a scheme of taxation violated the rights of private property, Belloc would doubtless have replied with something such as Pesch himself said, namely that the "purpose of private ownership gives rise to appropriate limits to the acquisition, expansion, and the use of property, and also to foregoing its use." Like all other economic arrangements, private

property exists for the common good and it is licit to adjust its limits to the demands of the common good, as Pius XI explicitly noted.

Are Pesch and the distributists in agreement about property?

Pesch himself sometimes sounds like a distributist:

The absorption of small farms by large ones must be averted; where large-scale farms begin to make up too large a part of the farm picture, a return to proper balance is recommended.

Of the greatest importance for the general welfare and the public interest is the preservation of an extended middle- and small-sized type of farming, first of all, with regard to the economics of it, because here agriculture is carried on most intensively. In farm population which can work independently on its own soil and maintain itself by its own work, there will be a love of work, thrift, and morality, along with Christian family life, love of fatherland, and loyalty to God-given authority, and a sense of peace and order in social and political life. Nothing will provide the state with such solidity and the preservation of continuing stability to the degree as when it numbers among its population a large number of settled healthy, farm families. All other classes... will be the beneficiaries of having on hand the largest possible number of citizens living on their own land.⁷

A few pages later he writes what could have come from the pen of Belloc or Chesterton: "While socialism calls for the abolition of

private ownership of the means of production, the motto of solidarism is: increase the number of owners!"⁸ And when Pesch writes, "The ownership of an acre of land, e.g., among industrial workers, where the worker could derive some economic benefit, but even more so, engage in a kind of activity which refreshes his body and soul, would undoubtedly be advantageous, even in a psychological sense,"⁹ he sounds like some of the more rural-minded distributist writers!

Let us now turn to the subject of guilds or occupational groups, probably the central point in Fr. Pesch's economic proposals, but one by no means lacking in Belloc's and Chesterton's thought either. However, first a word of explanation.

Although most people are acquainted with the word guild and associate it vaguely with the Middle Ages, the exact nature and function of guilds are little understood today. Briefly they can be explained in this way. If one rejects the idea of a self-regulating market economy, an idea contrary both to Catholic teaching and disproved by historical experience, then the central question in economics becomes: Who exactly is to do the regulating? Many socialists and other types of statist argue or simply assume that this is to be done by the central government. The most extreme form of this was undoubtedly in the Soviet Union, where government officials would set detailed quotas for factory production, and generally oversee the entire economy in the most minute manner. As everyone knows, this was productive of much inefficiency and waste, but the fact that the Soviets engaged in economic regulation in a stupid and bureau-

cratic way does not negate the necessity of some kind of regulation. In the Middle Ages this regulation was performed by the guilds, private associations yet with public responsibilities, and whose rules would be enforced, when necessary, by the municipal authorities. The guilds were made up of the individual craftsmen in each trade, and were democratically controlled. Apprentices and journeymen, that is, those in training to assume full status as craftsmen, generally had subordinate positions in the guilds but nevertheless some voice in their affairs. In the nineteenth century when Catholics looked about for some way of addressing the growing injustices brought about by industrial capitalism, they spontaneously turned to the medieval model as a guide. Leo XIII in *Rerum Novarum* recommended and described in some detail organizations very similar to guilds, and Pius XI, in *Quadragesimo Anno* and especially *Divini Redemptoris*, explicitly called for a revival of guilds, adapted to modern conditions and modern technology. Often in 20th-century Catholic writing the terms occupational group or industry council are used instead of guild, but the concept is the same: industrial self-government by all those actually involved in the work of a particular industry.

Heinrich Pesch grounds his discussion of guilds or occupational groups in his general theoretical approach to economic life.

Considered overall, solidarism is the social system which brings to proper expression the solidaristic bond among people as such and as members of the natural communities—the family and the

state—i.e., in accordance with the specific nature of each community... Considered in the broadest terms possible, the essential meaning of the solidarist system consists in complementing weakness and regulating power by binding people together in solidarity, while exercising mutual consideration and concern in accordance with the demands of justice and charity, by a well-ordered cooperation and reciprocity within the various forms of natural and free, public and private communities, and in accordance with their natural and historical peculiarities, directed toward the ultimate goal of securing the true welfare of everyone involved.¹⁰

Just as members of a family naturally will cooperate with each other, and just as citizens of the same country will do the same, so those who work in the same firm or industry have common interests and naturally share a common task in the provision of some economic good or service for society. As such, they ought to see themselves not as rivals but as brothers working for the same end. And further, it is not unreasonable for them to establish organizations by which this cooperation can be formalized and regulated, and the good of the entire industry promoted. As a result, according to Pesch, the occupational groups will be involved in setting prices, wages, and in many other kinds of economic regulation which today are either done directly by the government, or not at all. Further they would collaborate to solve problems internal to the industry, such as industry-wide collective labor agreements, safety

standards and negotiations for contracts with suppliers of raw materials, and with the government and the general public, working both for their own legitimate prosperity and for the public good.

Now while the central place of occupational groups in continental Catholic social thought between the wars is well-known, less well-known is that they were accepted entirely by Belloc and Chesterton as well. Belloc wrote,

The safeguarding of the small unit, the seedlings of re-afforestation, the delicate experiments in the reconstruction of property, must take the form of the Guild: not the unprotected guild arising spontaneously (for that would soon be killed by the predatory capitalism around it) but of the Guild chartered and established by positive law.¹¹

He discusses also the possibility “of chartering...trade unions,” that is, of conferring official powers on them so they could “regulate wages, consider the opportunities of employment, prevent their function from being swamped with numbers and in general substitute status and order for chaotic competition,”¹² as a prelude to setting up formal occupational groups. The reader will see that the functions of such organizations, as conceived by both Pesch and Belloc are similar, and that no one can accuse the distributists of being hostile to the guild-principle.

When we turn to the question of employment and wages, it might seem that we are entering territory where solidarism and distributism have less in common. And to some extent this is true. But even here the differences can

be overstated. Undoubtedly Pesch considered that for the most part the employer/employee relationship would continue even in a just economy. He was concerned to insure that workers received a just wage and that owners and workers were bound together by solidarity, both in spirit and in concrete institutions which embodied a spirit of justice and charity.

EVERY WORKER AN OWNER

Belloc and Chesterton, for their part, often spoke as if every worker would become an owner, so that the owner/worker relationship would disappear. But as we saw above Pesch could go so far as to say that “the motto of solidarism is: increase the number of owners!” On the other hand, when Chesterton, in the important chapter, “A Misunderstanding About Method,” in *The Outline of Sanity*, wrote about possible means of achieving a distributist economy, he included “the gradual extension of profit-sharing [or] the management of every business...by a guild or group.” He conceded that certain “Distributists dislike the idea of the workman having shares only where he has work; they think he would be more independent if his little capital were invested elsewhere [and] [o]thers continue to call themselves Distributists because they would give every citizen a dividend out of much larger national systems of production.” And on the next page, where he lists six methods “which would help the process of distributism,” he states: “Not all Distributists would agree with all of them...”¹³

My point here is twofold. First, that Chesterton by the very meth-

ods he suggested for the establishment of a distributist economy acknowledged that some communal endeavors would continue to exist under distributism, and perforce the worker would receive what amounted to a wage, even if in actuality it was a share in the profits.¹⁴ And second, it is clear that there was, just as there is now, no complete agreement among distributists about either the method we should use or the exact form which a distributist economy would look like. Distributism does not have a party line. It is a movement which works toward certain goals and accepts certain principles, but within those goals and within those principles there is room not only for different approaches, but sometimes for frank disagreements. I myself think that even in a distributist paradise—*utinam Deus det!*—the employer/employee relationship would continue to some extent. Some would not want the bother of being their own bosses, others would not possess the requisite talents, still others would of necessity work at large enterprises which would be cooperatively owned, or they would work for the government at some level.

There is no doubt but that there are differences, especially in emphasis, between Heinrich Pesch and the distributists. There are doubtless many reasons for such differences besides disagreements about economic principles: differences in intellectual and social tradition between England and the continent, the varying circumstances and economic histories of England and Germany, even the interests and personalities of the various writers in question. But to the extent that this is the case,

I suggest that it ought not be an occasion for conflict, but the contrary, an opportunity to learn and to strengthen and enrich our understanding of the Church’s social thought. Currently distributism is undergoing something of a renaissance, a renaissance that I have been promoting for some years. Distributism is undoubtedly better known than solidarism. Does that mean that distributists ought to gloat and ignore Pesch? Quite the contrary. Any serious distributist will be continually working to increase his understanding of all the subjects which contribute to an intelligent and persuasive presentation of Catholic social thought and of distributism. Reading Heinrich Pesch is more than useful for such an intelligent and persuasive presentation, it is well-nigh essential. In Pesch one finds an intelligent and erudite, even exhaustive, discussion of European economic history, of economic theory, of the various alternative systems which existed about the same time that he, as well as Belloc and Chesterton, were writing. Pesch is an author who is ignored at one’s peril. The distributist reader will find that Pesch anticipates him in many matters, prevents many a false step, and can provide a sophisticated underpinning for an intelligent presentation of distributist economic proposals. The voices on behalf of the Church’s social doctrine are few enough today, and those few ought not to allow comparatively small differences to sunder their efforts.

THOMAS STORCK

Notes available upon request