

Is the U.S. Economy Successful?

by **Thomas Storck**

If abundance of riches were the ultimate end, an economist would be ruler of the people.

—St. Thomas Aquinas,
De Regimine Principum, I, 14

Recently a friend made a comment to me that the real reason that Catholics in the United States so often resist the cautions and criticisms of capitalist economies made by the Church's Magisterium is because our economy is so successful. After all, how can mere theoretical arguments made by European clerics stand up to the obvious fact that the American economy delivers the goods? We have lots of glossy cars and fancy machines, and right now we even have low unemployment, low inflation and (for some at least) fat mutual fund or bank balances. This can hardly be beat, and certainly not by crusty old documents, some of which are over a hundred years old. But I would like to take issue with this evaluation of our economy by asking the question, Successful at what? If our economy is a success, what has it succeeded in doing?

In order to evaluate whether something is successful or not, one must first know what that thing is supposed to do. If I have a machine that turns out lots of soap bubbles, it might seem a great success until I happen to mention that it is supposed to be an ice cream maker. Mere creation of things does not indicate success, until we know what sorts of things were supposed to be created. Now of course, many people will immediately reply that obviously an economy is supposed to produce economic goods, products and services that we need in order to live. And this is true, but not true *simpliciter*, as the old scholastics would say. That is, there are conditions attached to this production of economic goods. For example, although the purpose of an automobile is to get its passengers from one point to another, if it habitually gets them there with broken legs and bloody noses, because it goes so fast, then we might say that it is not doing its job well.

It is not really a success, for the automobile's purpose is not to get passengers somewhere *simpliciter*, but to get them there safely. So perhaps we might venture to say that something is successful if it does the task appointed for it, *without injuring some other important good*. We can pronounce the American economy successful if we find that its production of economic goods and services does not harm any other important good in our lives.

Now before we go on, we must take a brief look at the question of a hierarchy of means and ends. In the example above, of the automobile that goes so fast that it hurts its passengers, without any reflection we immediately recognize that the automobile is simply a part of the network of things which exist to serve human life. So if it injures human life, it is not fulfilling its end, despite anything else it may do. Getting people from point A to point B is surely subordinate to keeping them alive and healthy. Or if I invented a vacuum cleaner that effectively cleaned the house, but destroyed all the furniture, that again is an inversion of ends. So how does this apply to the economy? Material goods, such as are produced by economic activity, obviously exist to serve man's needs, to serve his life on earth. If the economy succeeds in giving us lots of *things*, but in doing so actually detracts from the value or purpose of human life, then it is not really doing its job, it is not really successful.

Now what are these human goods, these aspects of our life on earth, that the economy ought not to be harming while it is producing goods and services? Well, they have to do with the ends or purposes of man. If we truly believe, for example, that the purpose of human life is to live well so as to attain heaven, then

clearly anything that makes attaining heaven more difficult is an evil, no matter how superficially successful it may seem. To quote St. Thomas once more:

Since the purpose of a life lived well in the present is heavenly happiness, for that reason it pertains to the duties of a king to procure a good life for his people, according to what is agreeable to gaining heavenly happiness, so that he would order those things which lead to heavenly happiness, and things opposed to that, he would prohibit as much as possible.¹

Further, there are some matters which, while not as ultimate and direct an end for man as reaching heaven, are still important and primary means for man on the way to heaven, such as family life, the life of the Church, including the Church's liturgical, spiritual and intellectual life. Now where in this hierarchy should material goods and their production be put? Do they exist *for the sake of* our family life, our spiritual life, or vice versa? Obviously the former, for they are subordinate aspects of human existence, and in fact, Sacred Scripture is full of warnings against the dangers of money and goods, but never of the dangers of loving our families too much or spending too much time in prayer.² So now we have refined our question a bit and we can ask: Does the U.S. economy perform its function of producing goods and services in proper subordination to these more important ends of man, or does it, despite the mounds of goods it piles up, detract from these ends? Or should we ask, *because of* the mounds of goods it piles up, does it detract from these ends?

That is, since man's heart is easily seduced by riches, does the production of such vast amounts of goods, often fulfilling no obvious human need, really aid us in acquiring virtue and attaining heaven? I am afraid the answer is obvious, even to those who are accustomed to be defenders of the capitalistic system. But a few quotes should put the matter more in focus.

Increased possession is not the ultimate goal of nations nor of individuals. All growth is ambivalent. It is essential if man is to develop as a man, but in a way it imprisons man if he considers it the supreme good, and it restricts his vision. Then we see hearts harden and minds close, and men no longer gather together in friendship but out of self-interest, which soon leads to oppositions and disunity. The exclusive pursuit of possessions

thus becomes an obstacle to individual fulfillment and to man's true greatness. Both for nations and for individual men, avarice is the most evident form of moral underdevelopment.

(Pope Paul VI, Encyclical *Populorum Progressio*, no. 19)

And John Paul II, speaking of the attempt by non-Communist nations to rival Communism in the years after World War II, wrote,

Another kind of response, practical in nature, is represented by the affluent society or the consumer society. It seeks to defeat Marxism on the level of pure materialism by showing how a free-market society can achieve a greater satisfaction of material human needs than Communism, while equally excluding spiritual values. In reality,

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while on the one hand it is true that this social model shows the failure of Marxism to contribute to a humane and better society, on the other hand, insofar as it denies an autonomous existence and value to morality, law, culture and religion, it agrees with Marxism, in the sense that it totally reduces man to the sphere of economics and the satisfaction of material needs. (Encyclical *Centesimus Annus*, no. 19)

Neither of these quotes is, of course, condemning the possession of material goods. But the first is pointing out the weakness of mankind in the midst of ever increasing possessions, and the second is stating that our society—for John Paul is here pointedly referring to the West and probably the U.S. in particular—in fact *did* succumb to the allurements of materialism and offered a vision of man as materialistic as that of the Communists.

All this should not surprise us, for it is commonplace for spiritual writers to comment on how material affluence makes the attainment of spiritual goods more difficult. For example, to take something more or less at random, here is a sentence from a newsletter from an orthodox Catholic organization I received this week: "But how can kids learn chastity from 10,000 'Catholic' teachers who are drunk with sex and *affluence*?" [emphasis mine]. And to take one more example, here is a quote from one of our separated brethren, John Wesley:

I fear, wherever riches have increased, the essence of religion has decreased in the same proportion But as riches increase, so will pride, anger, and love of the world in all its branches.³

All these quotes show, I think without fear of contradiction, the obvious truth that riches fasten men's hearts to this world, and that therefore the mere piling up of goods does not really make an economy successful, if at the same time it injures our spiritual and moral health. For remember that attaining a subordinate good can never be truly called a success if it involves an injury to a higher and more important good.

One might wonder if I am suggesting here that businessmen deliver sermons on the evils of materialism or enclose tracts with the products they sell. Although I would not object to either of these practices, this is not exactly what I have in mind. For an economy to be really successful, it must accomplish its purpose of providing us with the goods and services we need without harming our moral or spiritual health. And perhaps the operative word here is *need*. Right now the economic system is conceived of as a means for making money regardless of whether the product or service provided is really a contribution to human welfare. As long as it is not illegal and as long as it sells, that is all that is asked. Business caters to human *wants* and *desires*, or even helps to create them by advertising. But does the fulfillment of all the desires that fallen mankind is capable of having really enhance human life? If we really believe that human nature has been weakened by original sin, why should we assume that our economic appetite can operate freely without damage to the common good anymore than our sexual appetite can?

A quote from Pius XI's encyclical *Quadragesimo Anno* sums up well what I have been saying:

For it is the moral law alone which commands us to seek in all our conduct our supreme and final end, and to strive directly in our specific actions for those ends which nature, or rather, the Author of Nature, has established for them, duly subordinating the particular to the general. If this law be faithfully obeyed, the result will be that particular economic aims, whether of society as a body or of individuals, will be intimately linked with the universal teleological order, and as a consequence we shall be led by progressive stages to the final end of all, God Himself, our highest and lasting good (no. 43).

In other words, we cannot separate our conduct into unconnected compartments, but our economic ac-

tivity also ought to contribute not to piling up goods, but, after its own proper fashion, to our salvation. In fact, everything we do ought to contribute to our salvation, but of course after its own proper fashion. So we should expect economic activity to provide us with the goods and services we need for a life lived in accordance with our true humanity, not one that robs us of it by feeding our greed and materialism. As John Paul II teaches,

It is not wrong to want to live better; what is wrong is a style of life which is presumed to be better when it is directed towards "having" rather than "being," and which wants to have more, not in order to be more but in order to spend life in enjoyment as an end in itself (Encyclical *Centesimus Annus*, no. 36).

A really successful economy, then, would produce a sufficient amount of high-quality and lasting goods necessary for a truly human existence. It would not regard economic growth as a good in itself, but one that was subordinate to the welfare of the human race. Thus the questions that would have to be asked about a product would be: Is it really necessary or helpful for mankind? What effect will its use have on the social fabric? How will it *serve* our social, family, intellectual or spiritual life? It is how well the common good is fostered, not the amount of money that can be made by a clever entrepreneur, that determines the health of an economy.

The fact that I am criticizing our economy does not, of course, mean that I am saying anything good about communism or socialism. That those economic systems not only destroy human freedom but have generally failed even to turn out sufficient quantities of goods and services is neither here nor there, however, for to criticize capitalism is not necessarily to praise socialism. We must judge our economic arrangements against the eternal standards of the Gospel as formulated by the Church's Magisterium and tradition. Just because there is no Christian economy in existence today does not mean that the attempt to construct one is hopeless or utopian. But above all, we as Catholics cannot allow ourselves to accept the present arrangements as somehow not at odds with the Faith. To do so is a sort of Lutheran-like restriction of the Gospel to the private sphere, leaving public life to the Devil. However far we may be from constructing

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a Catholic society, we must keep it at least as an ideal in our minds. If we compromise our thinking by accepting the modern world's notion of an autonomous economy free from considerations of morality or the common good, then we are false both to our fathers in the Faith and to any hope of ever rebuilding Christendom.

There is one specific institution of our present economic system, moreover, which we should look at closely. This is advertising, or "business propaganda" as the free market apologist Ludwig von Mises calls it.

Business propaganda must be obtrusive and blatant. It is its aim to attract the attention of slow people, to rouse latent wishes, to entice men to substitute innovation for inert clinging to traditional routine. In order to succeed, advertising must be adjusted to the mentality of the people courted. It must suit their tastes and speak their idiom. Advertising is shrill, noisy, coarse, puffing, because the public does not react to dignified allusions. It is the bad taste of the public that forces the advertisers to display bad taste in their publicity campaigns.

So after blaming the public for its manipulation by crude business propaganda, von Mises says that restrictions on advertising, which are often advocated by "people of delicate feeling,"

would restrict the freedom of the consumers to spend their income according to their own wants and desires. It would make it impossible for them to learn as much as they can and want about the state of the market and the conditions which they may consider as relevant in choosing what to buy and what not to buy.⁴

So apparently if our "latent wishes" are roused and we are enticed to buy things we otherwise would not, somehow this enhances our freedom and actually helps us learn!

But more to the point is what von Mises freely admits, that advertising is "obtrusive . . . blatant . . . shrill, noisy, coarse, puffing . . ." How this aids society is unclear. But even more so, this "coarse" nature of advertising today includes the tremendous exploitation of sexual temptation to sell goods. This is obviously a near occasion of sin for many, and perhaps partly responsible for some people's eternal damnation. Nor can one say that this is merely an abuse of advertising, for as von Mises says, advertising *must* sink to the lowest level of public taste. Moreover, I think that advertising has often actually lowered the existing standards of public taste and morality, not simply adapted itself to what was already there.

And it is not simply sexual temptation that advertising uses. Many ads seek to exploit our pride—"You deserve this"—or our snobbery or our inordinate desire for material goods. Again, if our economy were truly successful, it would not provide this near occasion of sin for us.

Moreover, there is good reason to question even some of the purely materialistic aspects of our economy. We have many inexpensive goods for sale, but how many of them are made by slave labor in communist China? We have many jobs, but how many fathers earn enough so that their wives can stay at home and care for their children? How many families go into debt excessively in order to fulfill the materialistic dreams created by our society? Our economy can satisfy the material desires it creates only by using slave and substandard-wage labor in foreign countries, by tearing mothers away from their children, by creating a nation of debtors.

One of the boasts of socialists and communists was that they could out produce capitalism. History has shown that this boast was false, but what has perhaps not been given equal notice is that the boast is essentially a materialistic one. If this life is all there is, then perhaps the economy that produces most is the best. Socialism confined its hopes to the present world and failed. Capitalism confines its hopes to the present world and succeeds—but at what? At tying men's souls to this life, at taking their gaze away from the heavens, at submerging them in a sea of possessions. For Catholics this cannot be the goal of life or the just society that we seek. Only when all of our activities and institutions, private and public, are subordinated to the true goal of our life, the attainment of eternal life, only then can we say that they are successful. "For what does it profit a man, if he gain the whole world, but suffer the loss of his own soul?" (Matthew 16:26).

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End Notes

¹ *De Regimine Principum*, I, 15.

² See, for example, Psalm 52:7, Proverbs 11:28, Proverbs 23:4, Proverbs 30:8, Sirach 31: 5-7, Matthew 19: 23, I Timothy 6: 6-10, James 5: 1-6.

³ Quoted by Max Weber in *The Protestant Ethic and the Spirit of Capitalism* (New York: Charles Scribner's, c. 1958) p. 175.

⁴ Ludwig von Mises, *Human Action: A Treatise on Economics* (New Haven: Yale University, 1949) pp. 316-317.

⁵ *De Regimine Principum*, I, 15.