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Analysis Of The Text Economics: Principles, Problems, And Policies From The Viewpoint Of Christian Social Thought

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ANALYSIS OF THE TEXT ECONOMICS: PRINCIPLES, PROBLEMS, AND POLICIES FROM THE VIEWPOINT OF CHRISTIAN SOCIAL THOUGHT

by

James Harrington

A Thesis
Submitted to the Department of Economics of Carroll College in partial fulfillment of the requirements for the degree of Bachelor of Arts with honors.

Helena, Montana
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Approved by [Signature]

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ANALYSIS OF THE TEXT ECONOMICS: PRINCIPLES, PROBLEMS, AND POLICIES FROM THE VIEWPOINT OF CHRISTIAN SOCIAL THOUGHT

In this work it is the intention of the writer to investigate the treatment of vital moral and ethical questions in a text written by Campbell R. McConnell which apparently exemplifies the bulk of today's study material in introductory economics. Because of the importance in the development of the young student's mind, this beginning text has been chosen in preference to an upper division course. The writer shall proceed from the viewpoint of Christian Social thought in an attempt to answer the question: Can today's student find in his economics textbook sufficient proof to substantiate the fact that Christian Social principles must exist in economic life?

The criteria according to which this judgement shall be based are: private property, the role of government, foreign policy, wages, and labor association. The rights and duties of man in regard to these issues are discussed at length in the social encyclicals of Pope Leo XIII, Pope Pius XI and Pope John XIII, and thus they shall be consulted as primary sources of reference.

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1McConnell's text is presently being used in 155 colleges and universities throughout the United States.
CHAPTER I. PRIVATE PROPERTY

The first topic of consideration is private property which embraces clearly defined duties as well as rights. What American will hesitate to defend the vital necessity of private ownership? Yet when asked for the reasons for their bold defense of this right, many perhaps are hard pressed for an answer. A student of the American economy might attempt to recall mention of the reason why private property is necessary and admit that he remembers reading nothing about it in his textbook. He would likely be inclined to comment that it is simply necessary as McConnell apparently implies. Were the student asked if the self-evident and necessary right of private property has or should have any limits, he should quote the following:

Needless to say, there are broad legal limits to this right of private ownership. For example, the use of one’s resources for the production of narcotics is prohibited by legislation. Nor is public ownership nonexistent.¹

Truly the knowledge that there does exist a right to private property and that this right is limited by legislation serves to illuminate the mind of the economics student. The student is perhaps duly satisfied with such knowledge, but the question of right and wrong still remains a mystery.

Though some may preside from a discussion of questions about private property such as "should it exist?" or "why?" or "has it any natural limits?" and so on, these questions are still asked. They are asked today in the world of economics; they were asked in 1891 and answered by the courageous pontiff. Pope Leo XIII was a churchman but he did not limit himself to a quiet life or pious prayer. He appeared unhindered by criticisms that had been given about overstepping his bounds when he wrote of the right to private property and argued that it was a natural right of every man. The Holy Father noted that God's plan in assigning no clearly designated plot of land to any particular individual was because he preferred to leave "the limits of private possessions to be fixed by the industry of men and the institutions of peoples." The Pope goes on to elaborate that private property is a natural right of man and not merely a gift given to men by custom as some might be led to believe.

Moreover, since man expends his mental energy and his bodily strength in procuring the goods of nature, by this very act he appropriates that part of physical nature to himself which he has cultivated. On it he leaves impressed, as it were, a kind of image of his person, so that it must be altogether just that he should possess that part as his own and that no one in any way should be permitted to violate his right.

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3Leo XIII, Encyclical, Rerum Novarum, p. 5.
4Ibid.
This is a truly logical defense of the right of private property. But does it not far overstep the bounds set by legislation and the imaginations of economists and businessmen? Perhaps the Pontiff failed to confer with either group. He may have disregarded conventional economic thought also when he pointed out that "As effects follow the cause producing them, so it is just that the fruit of labor belongs precisely to those who have performed the labor." 5

The Holy Father goes on to justify the natural right of private property arguing that a father has the natural right to provide necessities for his family and "He can do this surely in no other way than by owning fruitful goods to transmit by inheritance to his children." 6 He further states that without private property there would be no just compensation for the differences in talents among men. 7 It thus follows that legislation if opposed to this natural right of private property, would not serve as a fitting criterion for judging what is right. This stand is defended well by the late Pope John when he states:

5 Ibid., p. 6.
6 Ibid., p. 7.
7 Ibid., p. 9.
Moreover, experience and history testify that where political regimes do not allow to private individuals the possession also of productive goods, the exercise of human liberty is violated or completely destroyed, in matters of primary importance.\(^8\)

Pope John again clarifies the true criteria in this regard when he points out that regardless of the laws which men might see fit to invent, the right of private property is limited by the right of sustenance of all men.\(^9\)

Granted, the law has long attempted to insure that men receive what is justly due to them, but the civil law is an institution of man and therefore subject to error. The scope of the law is not wide enough to cover all cases and truly cannot cover completely the correct use of private property. As Pope Pius XI points out, "the duty of owners to use their property in a right way does not come under (commutative justice) but under other virtues ..."\(^10\)

It can thus be seen that private property finds its true roots not in the common consent of those who construct the civil law, but "it is a natural right and foundation of every legitimate economic and social order."\(^11\) It has

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8 John XXIII, Encyclical, Mater et Magistra., p. 32.
10 Encyclical, Quadragesimo Anno, p. 19.
a firm objective basis in the nature of man and therefore is not subject to the convention of law makers. "Private ownership should safeguard the rights of the human person"\textsuperscript{12} writes Pope John indicating its vital necessity for self-perfection upon earth and its function in preparing man for his final goal. One can also conclude that this right is restricted by certain corresponding duties "for the right of all men to the use of material goods takes precedence over the right of private property."\textsuperscript{13} Truly this point is well expressed in the following:

\begin{quote}
For . . . the Creator Himself, has given man the right of private ownership not only that individuals may be able to provide for themselves and their families but also that the goods which the Creator destined for the entire family of mankind may through this institution truly serve this purpose.\textsuperscript{14}
\end{quote}

In conclusion it could be stated that the representative economics text provides insufficient detail concerning the ethical problems inherent in the right of private property. Although the author implies the necessity of property ownership and indicates legislation which has upheld this right, a more comprehensive explanation of the reasons for private property and its moral limits could be made.

\textsuperscript{12} John XXIII, \textit{op. cit.}, p. 33.
\textsuperscript{13} Eberdt and Schnepp, \textit{op. cit.}, p. 165.
\textsuperscript{14} \textit{Quadragesimo Anno}, \textit{op. cit.}, p. 18-19.
CHAPTER II. GOVERNMENT PARTICIPATION IN ECONOMIC AFFAIRS

Another basic issue to be considered is the role to be played by government in economic affairs. Must the government follow a policy of laissez faire in respect for the private property rights of citizens?

McConnell, as we have seen stated that public ownership exists. He goes on to point out that "Government can either tighten the reins or apply the whip to economic growth." He speaks of the tremendous job done by the government to insure economic growth thus far in the United States. They have given subsidies to railroads, aided in construction of highways and financed research projects, he states. But should governmental ownership exist and if so, how extensively?

When the author treats the problem of underdeveloped countries, he comments that "Such a complex question" that is, the question of the extent of governmental interference "is not susceptible to a simple answer." He then ventures to state the following:

15 C.P. p. 3.
16 McConnell, op. cit., p. 365.
17 Ibid.
18 Ibid., p. 723.
At least during the initial stages of economic growth we can expect government to play a more important role in the underdeveloped countries than did the governments of, say, the United States and Great Britain in their initial phases of economic development.¹⁹

McConnell lists five basic reasons for the intervention of government in an underdeveloped area including the weakness of businessmen in formation of capital, stabilization of the monetary system, institution of programs which produce no quick profits, such as medical care, education and conservation of resources.

This is indeed true, but it is likewise true that as a country grows there remain certain projects of a social nature which cannot profitably be undertaken by the entrepreneur. When is it right that the government interfere in the world of business and what shall limit the role of government? It has already been shown that the individual possesses a right to private property. This to some extent serves as a caution signal to government. Pope Pius XI elaborates somewhat on the role of all in society when he comments the following:

The public institutions themselves, . . . ought to make all human society conform to the needs of the common good; that is to the norm of social life, namely, economic activity, cannot fail likewise to return to right and sound order.²⁰

¹⁹Ibid., pp. 723-724.
Thus the Holy Father bases his teachings upon the objective norms of social justice and in so doing he answers the question "why?" He then goes on to state:

For certain kinds of property, it is rightly contended ought to be reserved to the state since they carry with them a dominating power so great that cannot without danger to the general welfare be entrusted to private individuals. 21

The Pope points out that the government may not deprive man of his basic rights and become Socialistic nor Communist. He bluntly and openly condemns Communism which "is incredible and portent-like in its inhumanity." 22 He likewise warns against Socialism and boldly declares "no one can be at the same time a good Catholic and a true Socialist." 23

The State should pattern itself to become "that form which right reason in accordance with nature requires and the teachings of divine wisdom approve," 24 writes the Pontiff who goes on to comment:

Therefore those governing the State ought primarily to devote themselves to the service of individual groups and of the whole commonwealth, and through the entire scheme of laws and in-

21 Ibid., p. 40.
22 Ibid., p. 39.
23 Ibid., p. 42.
24 Leo XIII, op. cit., p. 17.
stitutions to cause both public and individual well-being to develop spontaneously out of the very structure and administration of the State.\textsuperscript{25}

The Government must interfere neither too much nor too little in the affairs of individuals. The State exists for the benefit of the common good of all individuals and the importance of precision in the role of the government is not to be underestimated. An economics student must surely be aware of the natural right of the State to govern and also the danger of excessive government intervention.

The natural right itself both of owning goods privately and of passing them on by inheritance ought always to remain intact and inviolate, since this indeed is a right that the State cannot take away: "For man is older than the State."\textsuperscript{26}

Pope John seems to supplement the above quotation with his statement: "Nay, more, those in authority should favor and help private enterprise in accordance with the principle of subsidiarity, in order to allow private citizens themselves to accomplish as much as is feasible."\textsuperscript{27} And elaborating upon the meaning of this principle, he states:

For it is lawful for States and public corporations to expand their domain of ownership only when manifest and genuine requirements of the

\textsuperscript{25}\textit{Ibid.}

\textsuperscript{26}\textit{Pius XI, op. cit., p. 20.}

\textsuperscript{27}\textit{John XXIII, op. cit., p. 461.}
common good so require, and then with safeguards, lest the possession of private citizens be diminished beyond measure, or, what is worse, destroyed. 

The State exists for the perfection of the individual and must insure the common good of all. The role of the government is not one of a dictator in a socialistic state; yet anarchy certainly cannot be allowed. The solution to the problem of government intervention is embodied within the principle of subsidiarity which is advocated by the Pope. Further clarification of this important subject is provided in *Industrialism and the Popes*:

The principle of limited State intervention means that the State may step in to do the things which individuals or groups fail to do, when private initiative breaks down. This does not mean, however, that the duty and power of the State to procure the general welfare in economics comes to it only by default.

The authors go on to relate the concise definition of the functions of government which are laid down by Pope Pius XI: The Pontiff "summed up the powers of the State under four heads: directing, watching, urging, and restraining."

The authors elaborate upon the exact meaning of such powers stating that to "direct" is to encourage morality.

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29Eberdt and Schnepp, *op. cit.*, p. 82.

which cannot be covered by the vague terms of the law. In other words the State must aid and strengthen those institutions which will greatly aid the morality of the people and not remain content with enforcing the existing laws. "Watching" implies the role of the State in offering special attention to the poor and the oppressed who are by nature limited and in need of special consideration. "Urging" means the promotion of the general welfare by the passage of legislation and by other means. To "Restrain" is to exercise the police power of government over those who require this method by their immoral conduct. 31 The authors go on to comment that:

The State . . . can act to assure equitable distribution of property. In effect this may involve supplying employment, exercising the right of eminent domain, and promoting the welfare of small owners. 32

Dr. McConnell appears to utilize the principle of subsidiarity in his treatment of government participation in economic affairs. The reasons which he lists for government intervention in underdeveloped areas apparently coincides with this principle. It has been shown, however, that a more explicit description of the role of government might be necessary to enable the student to gain a more exact knowledge of this pertinent subject.

32 Ibid., p. 171.
CHAPTER III. FOREIGN POLICY

Thus far it has been observed that there does exist certain rights and duties in regard to private property and the role of government, although many students may remain unaware of this fact. Let us now look to the question of foreign policy. Does a prosperous nation such as the United States have any obligation in justice to less fortunate nations? If so, does this obligation exist only in cases which include defense interests or monetary profits?

"American postwar aid to foreign nations" writes Dr. McConnell, "has assumed several different forms and has been extended with a number of different objectives in mind." He goes on to mention some of the expenditures made by the United States with the intention of reconstructing war torn nations, preventing the spread of Communism and so on. Whether the nature of Social Justice has prompted the United States in its expenditures cannot be ascertained from the previous statement, but Pope John comments on its necessity.

Relations between political communities are to be further regulated by Justice. This implies over and above recognition of their mutual rights.

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McConnell, op. cit., p. 695.
The fulfillment of their respective duties. Political communities have a right to existence, to self-development and to the means necessary for this ... they have also the corresponding duty of respecting these rights in others . . . one state may not develop itself by restricting or oppressing other states.\textsuperscript{34}

The duties of justice, then transcend the quest of a nation to better itself financially or militarily. The foreign policy of a country should be based upon a desire to achieve world brotherhood and equality. Selfish interests of nationalism must be condemned when they violate the rights of human beings regardless of the strength of the nations involved. Might does not equal right; a strong nation has no freedom to utilize a weaker one to its advantage. The stronger nation, rather has greater obligations and must make greater sacrifices to aid the less fortunate. "Individuals will be found to differ considerably in knowledge, virtue, talent and wealth" writes Pope John "Yet these inequalities must never be held to excuse any man's attempt to lord it over his neighbors unjustly."\textsuperscript{35} Certainly the student of economics must be cognizant of this fact.

As McConnell points out, there are many ways in which

\textsuperscript{34}Encyclical \textit{Pacem in Terris}, pp. 30-31.
\textsuperscript{35}Ibid., pp. 29-30.
the United States (or any prosperous nation) is able to help those less fortunate. He mentions that loans, grants, and technical aid can be given by such institutions as the Export-Import Bank, the Point Four program and the World Bank. Trade barriers can be reduced and thus international trade could expand writes the author who goes on to state "American economic aid to the underdeveloped nations has been modest in relative terms."35 Here the author seems to imply the United States hasn't met its obligation in justice to offer aid to those in need. Dr. McConnell hints that the student should investigate the economic policies of his country, in order that justice may be achieved.

While the philosophy of Communism threatens to embrace the world within its totalitarian scope, the United States must constantly remain on guard to quash this demon where it arises. Truly the cause of the spread of Communism lies in the desperation poverty and by eliminating the cause one may eliminate the effects. Father John F. Cronin, Assistant director of the Social Action Department of N.C.W.C. makes the following observation:

No easy task confronts the world as it faces a powerful and ruthless movement for world expansion of Communism. It can be countered only by strength, leadership, intelligence, and sacrifice. The

Christian world must meet its greatest challenge. Courage and dedication alone will meet this challenge and save the world from apocalyptic ruin.36

Apparently, the main difficulty to be encountered in the foreign policy of a country is to overcome the selfish tendency toward nationalism. With the history of individualism which overshadows the United States, this propensity is perhaps more intense, and therefore it appears logical to conclude that an American student must learn the injustice of nationalism and the dangers to national security involved in its employment. "When a person endeavors to influence the conduct of government," writes Father Cronin, "his actions should be motivated by desire for the general welfare, not by concern with his own selfish interests."37

Keeping this in mind a student would be better prepared to enter the society with certitude as to the morality of his government's policies. Were the student allowed to remain ignorant of these ethical facts, he would probably be more easily led to follow a government policy which deviates from the demands of morality, and he might be less likely to introduce programs conducive to the international common good.

A truly accurate and concise guide to the understanding of international relations is presented in Social Principles and Economic Life. It seems within

37 Ibid., p. 290.
the realm of justice that a student of introductory economics be cognizant of these and similar facts concerning government foreign policy.

The direction taken by many modern governments, particularly the socialist regimes in Europe, should be reversed. Instead of taking powers from lesser groups, they should be seeking to restore, as prudence dictates, authority previously assumed. 'Thereby the state will more freely, powerfully, and effectively do those things that belong to it alone because it alone can do them: directing, watching, urging, restraining, as occasion requires and necessity demands' (Q.A., No. 80). Society should be organic, based on interrelationship of subordinate and co-ordinate groups working for the common good, and not mechanical, based on power forcing together scattered and hostile groups. This is why Pope Pius XII constantly warned against the trend toward nationalization, which was making society more rather than less mechanical.38

Indeed the objective certitude of Christian Social Thought must serve as the foundation for international policies. The evil forces of Communism can hardly be overwhelmed by the pragmatic philosophy of nationalism, nor indeed can any nation neglect its duties to one less fortunate. One cannot in true conscience allow his fellow man to starve abroad while he basks in the comfort of domestic riches. "Where such is the case" says the Pontiff "justice and equity demand that the government make efforts either to remove or to minimize imbalances

38 Ibid., p. 294.
The Holy Father implies the duty of foreign aid without discrimination among the children of God to whom this aid is distributed. He apparently condemns the destruction of goods by a country which is blessed with a surplus, and he illustrates little respect for nationalism. The student of economics must be qualified to meet the demands of justice; he must be aware of the principles of Christian Social Thought when venturing into his studies.

It could be concluded then that in regard to foreign policy Dr. McConnell offers a rather comprehensive discussion of the historical action taken by the United States and other countries. He also implies the duties which confront the student about to enter the complex world of economics but these duties could be more precisely revealed. The writings of Pope John XXIII and Father John F. Cronin indicate the many problems which will soon confront the student of economics and the necessity of solving these problems with prudence and justice.

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CHAPTER IV. WAGES

The next topic to be considered, a tremendously pertinent topic indeed, is that of wages. A modern circumstance which renders the question of wages extremely important is the fact that currently approximately 5% of the population of the United States consists of human beings who are refused employment and therefore receive no wages. Many American families struggle to exist on insufficient wages and many others fear that with an impending dawn their wages might diminish or disappear. With these conditions existing in the nation with the highest per capita national income, one shudders to imagine the conditions abroad in Asia or to the South in Latin America. A consolation to the poor of these countries might be that at least when they comb the piles of trash in desperate search for life giving scraps, they cannot hear the loud laughter of the plump businessman as do the poor in the land of plenty.40

The economics student who ponders over McConnell's chapter on wages is perhaps impressed with the precision of the system. So clear and simple it seems to him that he may somewhat tend toward the school of Economic Determinism.

40 See Barbara Ward, The Interplay of East and West, for a discussion of the matter above.
So well conditioned is he to the unquestionable existence of the "profit motive" as the basis of the system, that he might be inclined to forget the other three factors of production. Perhaps certain "laws" of economics should be described as theoretical devices the certitude of which ranks far below that of the natural law. Unless they are thus qualified the reader stands in danger of accepting them at face value as natural laws.

McConnell, assuming that his reader has already supplied the postulate of the profit motive states the following:

Each additional worker hired adds precisely his wage rate to the firm's total resource cost. The firm then will maximize its profits by hiring workers to the point at which their wage rate and therefore marginal resource cost equal their marginal revenue product. [italics mine]

This conclusion follows from a premise which the reader is evidently required to supply, namely, that all firms must strive to maximize profits. Why does the author fail to discuss the conditions which will allow maximum wages? Does not the wage motive exist in American business? A student might infer that labor is a commodity, and a worker possesses no more rights than the machines with which he works. Could the following statement

41 McConnell, op. cit., p. 543.
confirm his suspicions?

An employer cannot pay labor or any other resource in excess of its Marginal Revenue Product without eventually incurring bankruptcy.42

Perhaps this point should be clarified to some extent. A beginning student interpreting it unquestionably might be led to doubt the right of labor to a just wage. He might inquire whether the worker, whose hungry family leads him to seek higher wages, has the audacity to disturb the status quo and place the employer in danger of bankruptcy.

The high profits having been included as the natural purpose of the productive process, wages are determined by supply and demand. Rights and duties fall far short of consideration by the system. Supply and demand certainly cannot replace justice and charity. When the powerful businessman seeking a greater income, raises profit margins by reducing labor costs he brutally interfered with the natural right of the worker to obtain a living wage. The rights of the worker to the income of productivity, however, are equal to those of his employer. "Each needs the other completely:" writes Pope Leo "neither capital can do without labor, nor labor without capital."43

42 Ibid., p. 550.
43 Leo XIII., op. cit., p. 10.
Because he stands in possession of money and strength the modern businessman may be inclined to place himself in a position of lord and master. Few laborers, if they are in need of the necessities of life, are capable of enforcing their just rewards from such an employer. Has the economics student any proof that the demands of such workers are just demands? Again Pope Leo speaks out in defense of social justice:

Workers are not to be treated as slaves; justice demands that the dignity of human personality be respected in them, ennobled as it has been through what we call the Christian character . . . . It is shameful and inhuman, however, to use men as things for gain and to put no more value on them than what they are worth in muscle and energy.

Why is it impossible for an economics student to find these concepts in his text and incorporate them into his knowledge of the economy? To learn only the cold materialistic side of the wage problem is not to remain totally ignorant, but worse, to possess a knowledge of facts which exclude the truth. The student of today might prepare the wages of tomorrow and what shall guide him? The concepts contained in Quadragesimo Anno should certainly be at his disposal.

In the first place, the worker must be paid a wage sufficient to support him and his family. . . . Every effort must therefore be made that fathers of families receive a wage large enough to meet ordinary family needs adequately. . . .

Ibid.
In determining the amount of the wage, the condition of business and of the one carrying it on must also be taken into account. . . . If, however, a business makes too little money, because of lack of energy or lack of initiative or because of indifference to technical and economic progress, that must not be regarded a just reason for reducing the compensation of the workers. . . .

Lastly, the amount of the pay must be adjusted to the public economic good. . . . the opportunity to work must be provided to those who are able and willing to work. 45

The concept of a living wage is certainly clarified by the concept of the family wage. Truly a precise standard for measuring the adequacy of the amount of money paid to an employee is the amount which is needed to provide support for the worker and his family. Monseigneur John A. Ryan, an ardent soldier in the battle for social justice, illustrates the demands of Justice and Charity involved in the concept of the family Living Wage.

Unquestionably the hypothetical wages referred to are assumed to constitute the compensations that is normal, but there is no explicit assertion that so much is due the balorer as a matter of justice. . . . At present all Catholic writers on the subject hold that the employer is under moral obligation to give the workingman a wage that will maintain his family as well as himself . . . 46

Having thus maintained the necessity of the family Living Wage, the author elaborates on the basic reasons


which justify it in all circumstances under normal conditions:

But, those who defend the laborer’s right to a family Living Wage do not deduce it from any relation real or assumed between his family and the work that he performs or the employer that he serves. They derive it from his own dignity as a man.47

Msgr. Ryan then goes on to argue with blunt precision in revealing further proof to substantiate the claims of labor for a family wage:

In any rightly ordered society the father is the natural provider for all the members of the family. If he lacks the means of performing this duty adequately the result is pauperism, crime and other social evils.48

"Self-preservation is undoubtedly the 'first law of nature,'" writes the fighting clergyman, "but, if the experience of the race is any criterion, self-propagation is the second."49 He then goes on to clarify the true extent of the adequate wage:

Moreover the right to a family Living Wage belongs to every adult male laborer, whether he intends to marry or not; for rights are to be interpreted according to the average conditions of human life, and these suppose the laborer to become the head of a family.50

47Ibid., p. 113.
48Ibid., p. 115.
49Ibid., p. 117.
50Ibid., p. 120.
Thus it can be seen that the representative text lacks sufficient detail concerning the rights and duties surrounding the topic of wages. Truly an economics text should supply information concerning the Living Wage and the family Living Wage which rights flow from the very dignity of the worker as a human person. The profit motive should not be interpreted as the mainspring of the economy. All four factors of production are truly motivated and this includes the laborer.
CHAPTER V. LABOR ASSOCIATIONS

The last issue to be considered is the right of workers to form associations. Certainly with the right to a just wage it seems that the worker should likewise have the right to enforce his claim to this wage. History relates to us the story of the inability of workers to obtain a just compensation for their labor when engaged in private contracts with employers. Businessmen have long taken advantage of their strength forcing subsistence wages upon unorganized labor. With the increase of union power in recent years, however, the worker has achieved many of the rights which he had been previously denied. Has the worker a natural right to form associations which insure just wages and pleasant working conditions?

McConnell points out that the unions have been repressed in the United States from about 1790 to 1930 due to employers and the courts. He points out that the use of the criminal conspiracy doctrine had great influence in holding down the demands of labor, and when unions were accepted their methods of enforcing rights were still rejected. The author points out that the discriminatory discharging of workers by employers, the use of the blacklist, the lookout and the yellow dog contract were also used to repress labor.\(^1\) Finally, however, organized labor

\(^{51}\)McConnell, \textit{op. cit.}, pp. 628-630.
was able to establish itself into the powerful network which stretches across the United States today.

With organized labor maintaining some degree of power today, there are widespread criticism from many quarters that the workers have no right to organize and that such practices are monopolistic and contrary to the common good.

Now as McConnell illustrates, unorganized labor has greatly aided the conditions of workers. He goes on to point out the necessity of a strong central union leadership and notes the political importance of labor. 52

Monsignor John A. Ryan elaborates somewhat on McConnell's views offering further proof of the necessity of labor associations in the world today. Truly the function of organized labor has served to improve the common good.

The labor unions have been more responsible than any other single agency in the community for what beneficial labor legislation has been enacted. The unions have organized and instructed public opinion to recognize the justice that inheres in the cause of labor. 53

Msgr. Ryan speaks of "Justice" which is due to the labor cause. This certainly serves as an apt reason for the defense of labor association. The mere fact that a thing works does not make it right; it must be based upon the solid foundation of objective truth. Union opposition

52 Ibid., p. 636.

cannot successfully attack the demands of Justice, but it could easily pierce the false argument of pragmatism which might be used as a defense of union activity. Pope Leo XIII provides some insight into the basis of workers' associations which he considers necessary for the common good.

Inadequacy of his own strength, learned from experience, impels and urges man to enlist the help of others. . . . Just as man is drawn by this natural propensity into civil union and association, so he also seeks . . . to form other societies. . . .

Thus since man can best satisfy his natural need through associations, it follows that forming unions is a natural right of man. Since this right belongs to each individual, the State which must preserve the common good of such individuals, cannot interfere with this right.

For man is permitted by right of nature to form private societies; the State, on the other had has been instituted to protect and not to destroy natural right, and if it should forbid its citizens to enter into associations it would clearly do something contradictory to itself because both the state itself and private associations are begotten of one and the same principle, namely, that men are by nature inclined to associate.

One might inquire whether each individual worker is bound in justice to join a union. To prescind from the

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55 Ibid.
Christian Social viewpoint, a student would perhaps be hard-pressed for an answer. The answers to questions such as this should be at the disposal of an economics student, for the line of right and wrong may at times be hard to draw. When the student relies solely upon his intuitive moral tendencies, he may easily fall into error. Father Cronin utilizes the rules of man's nature when he writes:

Even when a worker may be personally unconcerned with the goals sought by his fellow workers in organizing a union, he may not thereby remain indifferent. For example, he as a single worker may be content with his wage. But he must share the concern of married workers who contend that it is inadequate for their needs. Such obligations, in social justice and charity, are clear and beyond debate. It is better to emphasize definite duties of this nature rather than to hazard the more difficult task of establishing a universal duty to join unions.56

This natural right of man to form associations cannot be destroyed by the greedy interests of businessmen with their right to work legislation. The denial of the effects which naturally flow from the associations actually denies the right to associations itself. Shall the student of economics be allowed to wallow in ignorance of this basic concept which is so pertinent to modern economic life? One can hardly justify exclusion of this concept

from an introductory economics text. The student is rendered ignorant of the fact that labor has the natural right to organize and laborers "are producers of genuine wealth, and contribute to the advance of civilization." 57

57 John XXIII, Mater Et Magistra, op. cit., p. 27.
CHAPTER VI. CONCLUSION

Having thus observed Dr. McConnell's coverage of the moral and economic issues of private property, the role of government foreign policy, wages and labor associations, it would seem that such treatment proves to lack sufficient detail in these areas.

The author merely implies the rights and duties surrounding private property while he is failing to point out its limits, its necessity and its basis. In regard to Dr. McConnell's treatment of government intervention, he covers the problem fairly well and apparently uses the principle of subsidiarity. He does not, however, especially state this principle nor does he give a precise criterion for measuring the extent of intervention which the government should be allowed to undertake. His treatment of foreign policy also lacks the precision which is necessary to orientate an economics student in this topic.

The author's treatment of wages fails to include an explanation of the right of a worker to receive enough to support a family or the duty of an employer to pay such a wage. Dr. McConnell also eliminates mention of the wage motive as a powerful force in the economy. The right of labor to organize is implied by the author but he lacks necessary detail in this area also.
The mind of the young economics student which can be molded by the author of an economics text as clay can be molded by an artist, must be brightened by the true concepts of social justice. This presumes a knowledge of the objective nature of man which must not be excluded from the "behavioral sciences." Until the student becomes cognizant of the ideas contained in the papal encyclicals which are based upon the objective nature of man, he cannot be accurately considered an educated economist nor an educated man.
SELECTED BIBLIOGRAPHY

Books


Encyclicals