

WHAT SHOULD THE CHURCHES DO ABOUT POVERTY? An Address by Patricia Hetter Kelso

The Bishops' Pastoral Letter on "Catholic Social Teaching and the U.S. Economy" asks one fundamental question in three parts: What should be done about domestic and world poverty — by the church itself, by a Judeo-Christian society, and by moral individuals?

Although they address their question first to Roman Catholics, the Bishops also invite the morally concerned of all faiths to contribute to the dialogue they hope to start with the secular leaders and the larger religious community of our pluralistic society. How should the religiously-oriented social conscience express its values and exert influence on an advanced industrial society where tools, machines, structures and processes produce more and more of the goods and services? How can all of society's members become legitimate consumers of the goods and services they want and need not only to live, but to live well, and to maintain social dignity and self-respect?

It is a tenet not only of Christianity but of all major religions that moral men and women cannot be indifferent to the quality of social life, or to the well-being of every member of the human community, for all are valuable in the eyes of our Creator. And now, no matter whose citizens we are or where we are born or domiciled, our community is the world.

The concern for a good society antedates Christianity. It was Aristotle who described man as a social and political being, and both he and Plato maintained that his virtue is dependent on the goodness of social institutions. Bad institutions make bad human beings. Good institutions assist and support men and women in their struggle to perfect their natures and to live as God has commanded.

The condition that the Bishops urge us to address, on the grounds of morality and justice, is not **pre-industrial** poverty. About that not much could be done. As long as human labor remained the chief producer of goods and services, and the capital factor was represented by arable land, domestic animals, and simple tools, poverty was a natural and inevitable state — at least for those not willing or able to enslave their fellow human beings or plunder their wealth.

But the poverty of our day and age has a different origin and dynamic. Modern poverty begins with the agricultural revolution in Great Britain. This first technological revolution, which began during the reign of the Tudors, paved the way for the Industrial Revolution that was to radically transform the material world and the way people earn their living.

Historians tell us that the Industrial Revolution began in 1776. But the force that powered it — technological advance — is as old as humankind; as old as the first rock grasped in a rudimentary hand to facilitate hitting or crushing.

What is different about modern poverty is that it is both curable and preventable. The poor have known this for a very long time. It can be fairly said that it is the poor

themselves who have awakened the churches to this incendiary fact. All over the world, the poor are standing up and announcing, in dozens of languages and dialects: “We’ve had it. We refuse to remain poor. We know that our misery is not due to the will of God or to a decree of fate, but to human institutions. Institutions run by you people up there. You people who are in charge of the institutions are guilty of mismanagement. We can’t put our finger yet on how you do it, but we know that you are mismanaging and misusing the institutions that control the production and distribution of the goods and services we want, need and demand. An we’re not going to take it anymore. Either you figure out how to include us or we’ll blow the society up.”

The institutions under attack — the economic and political institutions — are working beautifully for a tiny minority of the world’s families. They are failing the majority. And that’s what the Bishops’ letter, in essence, is about.

Nor is the Bishops’ concern about poverty new. Exactly ten years ago — in 1974 — the Bishops, through their Campaign for Human Development, issued a provocative study entitled “Poverty in American Democracy: A Study of Social Power.” Intended as a contribution to the American Bicentennial which was coming up in 1976, this study was richly studded with important facts. Here are three of them:

- In 1968, the richest one-tenth of our population (in total income) received annually as much income as the bottom half (50%). Each group received 27% of the Nation’s total income. This situation, unchanged in 1974, has been essentially the same since 1910.
- The wealthiest five percent of the American population owns: 31% of all privately-held wealth; 83% of all corporate stock; 62% of all businesses and professions.
- The poor and working class (50% of the population) average less than \$500.00 in savings and other liquid assets. The poor (the bottom 20% of the American population in income) average **no** savings.

We are often reminded by our political leaders and by poorer neighbors that the United States is a “rich country.” But in this rich homeland of ours, economic depression — and the psychological depression that accompanies economic fear and want — is a **permanent life condition** for 50% of the people. For the 40% — the so-called middle class — poverty is a constant possibility and threat, casting its dread shadow on life even when the sun is out.

Only the top ten percent of American families are really affluent. Only ten percent of families possess and enjoy all that the word “affluent” means and implies in terms of comfort, economic security, and leisure, not to mention human dignity and social respect. For as the Bishops have documented in their first-draft letter and their earlier study of poverty in the United States, society treats the rich differently from the poor.

The poor, as we have said, are not interested in remaining poor and miserable. Nor do

they wish their dependence to be made permanent. No matter how diligently we try to disguise the fact, charity is repugnant to both giver and recipient. Christianity has tried to conceal this disagreeable truth in a mystique. The Jews have been more forthright. In his book, *There Shall Be No Poor*, Rabbi Richard Hirsch writes that throughout rabbinic literature, a **loan** is emphasized as the finest form of charity. “Greater is he who lends than he who gives, and greater still is he who lends, and with the loan helps the poor man to help himself.”

Almost a millennium after this, the medieval philosopher Maimonides defined the various types of charity and categorized them in his famous “Eight Degrees of Charity.” The highest degree of charity, declares Maimonides, is to enable a man to become self-supporting so that he will not have to beg.

The poor are asking a different question, one that the Bishops’ Letter does not satisfactorily answer. It is: How are we to become self-supporting in an advanced industrial economy? We own nothing that produces marketable wealth. Not agricultural land. Not natural resources. Not office buildings or apartment houses. Not factories, mines or ships. Not significant businesses of any kind. We certainly do not possess savings to invest — if we did, we should not be poor but rich. All we have to offer is our labor, which everyone has, and which our economies need less and less.

In general, workers cannot escape from poverty through work. Exceptions to this rule are rare. The fact is that labor produces subsistence. Capital is the factor that produces affluence — for those who own it or control it.

The Bishops are not unaware of this truth. In their study of poverty and social power, they observe:

“Production, economic benefit and sharing the society’s wealth are not primarily tied to work, but to ownership of productive resources. But the majority of American citizens have their labor as their primary resource.”

This insight is so fundamental, so indisputable and so potentially fruitful, that Louis Kelso and I were certain that the Bishops, in their letter, would seize upon this fact and develop its implications. After all, this letter is entitled “Catholic Social Teaching and the U.S. Economy.” And modern Catholic social teaching begins with *Rerum Novarum*.

In *Rerum Novarum*, Pope Leo XIII declared that the desire of the Church is that the poor should rise up above poverty and wretchedness, and better their condition in life.

Pope Leo was certain that the ladder leading up and out of poverty and wretchedness was **ownership of productive property**. *Rerum Novarum* is eloquent in its praise of private property. Indeed, it lays down as a principle:

“Private ownership must be held sacred and inviolable. The law, therefore, should favor ownership, and its policy should be to induce as many as

possible of the humbler class to become owners.”

But in their latest pastoral letter, the American Bishops retreat from the principles of *Rerum Novarum*. They insist that since **labor** is the only source of productive power possessed by the majority of Americans, this majority must continue to make its productive contribution to the economy through labor — through the factor that produces not affluence, but subsistence; through employment and jobs that increasingly must be fabricated and synthesized to offset those lost to technological change, foreign competition and corporate concentration.

The Bishops go even further. They urge that the laws and policies of the United States should be aggressively used to create jobs and employment opportunities, and that property be taxed to pay for what is essentially boondoggle economic activity. In a word, they urge that the wages of capital be taxed to subsidize not just toil but **synthetic** toil.

Can such a recommendation be considered a moral or economic advance? No, it is a giant step backward, a return to the conditions and necessities of the pre-industrial past from which technology promises to liberate the many, as it already has liberated the few at the economy’s capital-owning peak.

The Bishops’ Letter raises other questions and perplexities.

To its honor and praise, the Roman Catholic Church has stood almost alone in the modern world as the champion of leisure and liberal education. Its teachings have clearly and consistently distinguished between ends and means, between life and livelihood, between economic toil and leisure work. Traditionally the Church has regarded toil as man’s punishment for original sin — a curse. Leisure work, on the other hand, is what Pope Leo XIII so gracefully described as that which “would have been his free choice and his delight” had man remained an innocent in Eden.

Economic toil has never been man’s free choice — much less his delight. Man is a toil-hating creature. That is why, before technology made slavery unnecessary by harnessing the power of electricity and steam, he enslaved his fellow man and plundered his wealth. That is why he invented capital instruments: to subdue the world of toil, and return to humankind the free choice and delight of that lost Eden.

For as a creative being, made in the image of God, man does love to produce the goods of mind and spirit — what Plato called “the wares of the soul.” In a good society, however, the wares of the soul are a free gift. They are not sold for money. The soul is not for hire.

This brings us to another perplexity in the Bishops’ Letter. The glorification of economic toil has been the special contribution of Protestantism. It has been derived not from Aristotle as synthesized by St. Thomas Aquinas, but from the theological writings of John Calvin and his followers. It was made an article of faith by the many sects that splintered from the Roman Catholic Church at the time of the Protestant Reformation — the sects that became known as Puritan.

The German sociologist Max Weber first made the connection between Protestantism and the rise of the industrial system that has transformed the material world in such a few centuries. Max Weber discerned a connection between the accumulation of personal and national wealth and the “work ethic.”

If toil is repugnant to human nature, what could have induced the Puritans to embrace an ethic commanding it? The answer is **love of affluence**, including, for those who have attained that goal, leisure. For human beings love affluence even more than they hate toil. They will endure almost any privation and danger for the chance to become rich. This is the acquisitive instinct that is as innate to human nature as the sex instinct. Only when the acquisitive instinct is uncontrolled and running wild does it deserve the name **greed**. Harnessed and controlled, it is essential to motivate human beings to produce goods and services. No economic motivation can compare with the opportunity to acquire and own property.

The Puritan toil ethic has accomplished so much good in the modern world that it is understandable if we are loathe to criticize it or even examine it too closely. It has promoted equality in the new lands and regions where human labor was still in short supply and hence economically valuable. All men seemed something like brothers in the world of toil, for toil is a great leveler. From it the working poor have derived a social dignity that not even the most accomplished artisan could enjoy in an aristocratic world of leisure which despised servile work and denigrated those who performed it.

The toil ethic has even served social justice and economic democracy. For we do come naked into the world. All that we have in the way of productive property is that power to labor which Nature has built into our physical body. It is our natural patrimony. And as long as labor remained the chief source of productive input, Nature herself enforced a rough sort of economic democracy. One man, one woman — one labor power. In the pre-industrial world, that equaled personal economic power and autonomy. Slavery, of course, cancelled Nature’s primordial plan. A slave is, by definition, one whose labor power is owned by someone else — a master. Slavery was endemic in the ancient world. No edict of morality could or did eliminate it. Water power and steam power abolished slavery by transferring the burdens and pains of production from human beings to the forces of Nature harnessed in capital instruments.

But this blessing was double-edged. For when a human being is valued only for his or her labor, technological change makes that person economically and socially superfluous — as in the British word “redundant.” A black leader once made this point most forcefully. “Lincoln didn’t free the slaves. He fired them.” In 1966, the National Committee of Negro Churchmen made a statement at the Statue of Liberty that eloquently described the mockery of being “liberated” from even slave labor in an economy as technologically advanced as the United States was even at the end of the American Civil War.

“The slaves were freed in 1863, but the nation refused to give them land to

make that emancipation meaningful. Simultaneously, the nation was giving away millions of acres in the Midwest and West — a gift marked ‘for whites only.’ . . . In the words of Frederick Douglass, emancipation made the slaves free to hunger; free to the winter and rains of heaven . . . free without roofs to cover them or bread to eat or land to cultivate We gave them freedom and famine at the same time. The marvel is that they still live.”

The Bishops are acutely aware of the growing armies of people whose labor has been made unnecessary by technological change. Their letter describes in considerable detail the economic, psychological and social consequences of being eliminated or excluded from the opportunity to earn a livelihood. The Bishops are right to point out the moral horror of what is happening in our society and in the countries which look to us to serve as a model and example. The Bishops have well described, without understanding the fundamental cause, an economy which pits the labor of vulnerable and fallible human beings against the pitiless competition of the machine, and casts the losses in this unfair and vicious competition, along with their families, on society’s scrap heap. Our society prattles constantly of compassion. But our economic institutions, operating downwards, are cruel and violent. Ancient Rome cast men and women into the public arena to fight to the death with wild animals in order to divert the masses from thinking about their own deprivation. We are not that different.

In the absence of new institutions which plug the disconnected back into the system as producers, there is no alternative but charity. The Bishops are right to remind us of this necessity and duty.

But charity is not justice, in logic or in fact. And this brings us to yet another perplexity in the Bishops’ Letter. Through the ages, the Roman Catholic Church has not only drawn sharp distinctions between leisure and toil, it has distinguished with equal clarity between distributive justice, social justice and charity.

Distributive justice is based on property. It is the right to receive the value of what your property produces. **Social** justice is based on the right of economic participation. It is the right to earn a living. **Charity** begins when justice fails. To borrow a metaphor from President Reagan, it is society’s “safety net.”

The right to support oneself and one’s dependents adequately and honorably is a natural right. In a democracy, it is a right not to **minimum** participation but **full** participation in the duty and necessity of producing the income equivalent of the goods and services one wants to consume. This right is a natural right, rooted in natural law. **Justice** is the virtue of the state — the heart of the social contract. **Charity** is the virtue of individuals. Religion has always asked individuals to redress the injuries and injustices inflicted by defective institutions. The reverent and compassionate always have tried to heed this call. But charity remains voluntary. It springs from love — love of God and love of one’s fellow man. The state may command justice — it must. It cannot command love. Charity is not a right.

This point was made most eloquently by the author of “The Contained Economy,” an Aquinas paper:

“Now a sin against justice is a very much more serious thing than a sin against charity. However desirable a spirit of charity may be in social life, society can survive without it. But justice is not an embellishment of human co-existence. It is the very basis of it, an indispensable precondition. A sin against justice is an attack on the social bond itself.”

Although people talk and write as if there were many ways in which to distribute an economy’s income and support consumption, in reality there are only two: **property**, which awards to each the value of his or her productive input — or **need**. Need is the principle of economic communism or socialism, whichever term you prefer. The so-called “mixed” economy attempts to combine both principles, but the two are diametrically opposed. The need principle will ultimately drive out the property principle and destroy the motivation of people to produce.

Pope Leo XIII understood all of this perfectly. *Rerum Novarum* is almost lyrical in its defense of private property. It declares this arrangement essential to individual freedom, autonomy and responsibility. It is also essential to the hope of working men and women of accumulating a little estate as security against the hazards of life and the inevitability of old age.

Rerum Novarum is equally eloquent in its repudiation of economic communism, which is viewed as inimical to Christian doctrine and to human freedom.

But in subsequent encyclicals and Church teachings, issued on the important anniversaries of *Rerum Novarum*, property is praised less and less. The emphasis shifts from justice to charity. The need principle begins to dominate the social teaching not only of the Roman Catholic Church but of the Protestant denominations as well.

Why has the Church retreated from private property while praising it, and embraced economic communism while condemning it? The answer is that the Church is caught on the horns of an old-fashioned logical dilemma. And dilemmas can only be solved by a higher truth or insight.

The Church’s dilemma is also the dilemma of the modern capitalist world. It is simply this: Private property cannot be protected in an advanced industrial economy — which is an economy where goods and services are increasingly and overwhelmingly produced by capital instruments, while the productive input of human labor correspondingly diminishes — if ownership of these capital instruments becomes concentrated in the hands of a tiny pinnacle class.

Marx was absolutely right about this. Concentrated capital ownership is inconsistent with the general well-being. A socially just society cannot tolerate it. A mass-production

economy cannot tolerate it. Concentration is inimical to both the logic of industrial production and to morality.

Although the modern world has the physical capability of eliminating the poverty of the masses, it does not do so because its established methods for financing economic growth and changes in ownership are purposely designed to build ownership of capital instruments, new and existing, into the already rich. Conventional finance is purposely designed to make the rich richer, not the poor richer. As technological change wrings labor input out of the production process and substitutes capital input, it makes sure that the new capital instruments that harness state-of-the-art technology will be owned by the same families that already own virtually all of the economy's capital wealth. It ensures that the poor will not acquire ownership of the wealth-producing things which they must own if they are to participate in the economy on equal terms and to enjoy their share of affluence and freedom.

Until now the Roman Catholic Church has had no private property answer to the sound negative case which Karl Marx made against the primitive capitalism of his day and which his followers articulate with righteous anger today. The Vatican economists, like their counterparts in the secular world, are prisoners of conventional one-factor economics, and its opening premise that labor is the sole producer of wealth; which pretends that as more and more powerful capital instruments are put into production, the "productivity of labor" goes up; which tells working people that they ought to be grateful for new technology because it creates "new jobs" for them; which misleads everyone into believing that full employment is a rational and possible economic goal for an advanced industrial economy.

All of these assumptions and beliefs are false.

About twenty years ago, a popular novel was made into a moving picture entitled "The Shoes of the Fisherman." Anthony Quinn played the Ukrainian priest who emerges from 17 years of communist imprisonment in Siberia to be elected the first non-Italian pope in four and one-half centuries. It was a case of fiction foreseeing the future.

"The Shoes of the Fisherman" was a powerful and entirely credible film up until the last five or ten minutes. It ended with the pope dramatically carrying out his conviction that the proper Church response to world poverty, and to the anti-Christ Marxian revolutionary ideology created by the failure of the capitalist system to extend its benefits to the majority of humanity, was for the Church to sell its jewels and cultural treasures and distribute the proceeds to the poor. Thus the Church itself would obey Christ's Counsel of Perfection: "Go and sell what thou hast and give to the poor, and thou shalt have treasure in heaven."

When Louis Kelso saw this film on an airplane returning from New York, he became very excited. In telling me about it, he said: "They really blew the greatest opportunity of all time! First of all, redistributing the world's wealth, symbolized by the Church's undoubtedly substantial holdings, is no answer to the problem of world poverty. It would

be a tragic mistake to put the moral authority of the Church behind such a futile and sentimental gesture. It would be like trying to fill the Grand Canyon with a grain of sand. It would also repudiate the Church's historical commitment to private property."

Here is how Louis Kelso wanted to end "The Shoes of the Fisherman."

"Let us imagine that the pope had taken this line of reasoning. Peter, the first Pope of the Holy Roman Church, was a fisherman. He owned a capital instrument — a boat. It was that boat, perhaps several boats, that enabled Peter to make his living, and to spend so much time and energy founding the Church.

"People who own capital instruments are not poor. Moreover, Karl Marx did not really make out a case for abolishing capital ownership — he just thought he did. Over and over again, he pointed out that only the capital owner enjoyed affluence, leisure, security freedom and power. The propertyless had none of these goods, nor any hope of obtaining them. Surely that is an argument for **spreading** capital ownership, not forbidding it.

"Now why did the cardinals choose a pope from the Eastern Bloc? They did it in the hope that the Vatican could be an instrument to bring together the socialist East and the private property West; that the Vatican could save the world from being torn apart and even destroyed in the struggle between the haves and the have-nots. What better way to achieve this synthesis than to say: "Marx! You were on the right track. The foundations of your case — if not your conclusions — were sound. Technology is alienating modern man by making his labor less productive in relation to capital instruments, and by obsoleting progressively more of it.

"Moreover, Marx, conventional business finance, which was still primitive in your day, is doubling the modern worker's alienation by depriving him of the opportunity to acquire ownership of the capital instruments that are superseding him in production.

"The answer, Marx, and you came awfully close to it, is to enable every individual to acquire ownership of those capital instruments — and to acquire them legitimately by buying them out of the yield of the capital itself."

And now I address not Karl Marx but Archbishop Weakland and his fellow Bishops of the U.S. Catholic Conference:

Modern man needs the modern equivalent of the boats of the fisherman — and the hammer and the adz of Christ Himself when he followed his father's trade as carpenter, The Roman Catholics who wanted Louis Kelso's economic ideas and programs to receive a hearing before Archbishop Weakland urge their Church to put its moral weight — and the financing power that your great holdings could exert — behind a strategy for making the world's poor affluent; by employing the modern financing tools which have been invented and are in use and which Congress has made even more effective through new legislation. These techniques (1) enormously accelerate new capital formation and economic growth; (2) protect the rich in their wealth, while (3) making the poor rich

rather than the rich richer.

The people of the world — those who have not already given up — are looking to the Vatican and all other centers of power for a message of hope, a sign of new direction; one that could renew the unity that once existed between the spiritual and material order; one that could show the impoverished peoples of the world the way to achieve the better material life they seek without revolutionary destruction and violence. This is a call to Revolution — but a peaceable, non-violent revolution. In the words of former Governor Luis Ferre of the Commonwealth of Puerto Rico, it is a “revolution without hate.”

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