

A MANUAL  
OF  
CHRISTIAN SOCIOLOGY

By  
Fr. VICTOR, O.C.D.  
Professor of Sociology  
ST. JOSEPH'S APOSTOLIC SEMINARY  
ALWAYE

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## FOREWORD

A systematic treatment of Christian Social Science has been a long-felt want in India, and the author of the present book is to be heartily congratulated for meeting this want so successfully. The course was originally intended for the clerical students of the Alwaye Apostolic Seminary, but its publication will now place it at the disposal of our educated Catholic laity, a boon they cannot be sufficiently grateful for. Sociology, however uncooth the name, has come to stay, and its special importance to Catholics is underlined by the dangerous anti-Christian bias in which it is too often presented in rationalistic books or on University platforms. The vastness and intricacy of the subject can be gauged from its mere definition—*a science which deals with the causes of social order and regulates man's duties in the promotion of that order*—a field which involves not only the study of the principles and applications of a right social order, but also the refutation of wrong forms of social order, such as nazism, facism, communism and other forms of totalitarianism, to mention only the more recent aberrations of social disorder. In its constructive aspect Christian Sociology has been enriched by the great encyclicals of Pope Leo XIII on the Condition of Labour, of Pope Pius XI on the Reconstruction of the Social Order, on the Christian Education of Youth and on Christian Marriage, and of Pope Pius XII on the fundamental conditions of a stable and lasting Peace.

**A Manual of Christian Sociology** offers a co-ordinate account of these and other aspects of the Christian Social Order under the two-fold section—socio-political and socio-economic—in a way which is at once attractive, substantial, with welcome applications to Indian social conditions, with extremely well-selected references for further readings at the end of each chapter, and, last but not least, is offered at a price which will be gratefully appreciated when compared with the high, when not prohibitive, prices of similar American or English publications. It is my fond hope that this valuable book will find an honoured place on the book-shelves of every member of the Catholic intelligentsia of South India.

St. Joseph's College,

Trichinopoly.

27th February, 1947.

P. CARTY, S.J.



## PREFACE

When writing this Manual it was not our purpose to get published just a book more. Our main idea was to satisfy a need which we had personally experienced for years when teaching this subject, for American and English books on Christian Sociology, besides being too costly, do not put us in contact with the local outlook. Hence this attempt to get printed the notes we have been using for class work during consecutive years.

This book is essentially one of exposition rather than of research; and in writing it we have freely consulted the books referred to therein. For pedagogical reasons we have endeavoured to give the various social questions which are dealt with in a clear way and with logical divisions, trying at the same time to be sufficiently brief as to have the matter mastered in a single course. In several complex questions we have stated the essential doctrine only leaving further explanations for the professor. Since the book is intended for Indian students, we have made also occasional references to the Indian social problems.

We cannot but mention here the name of Rev. Fr. Zacharias, O.C.D., who has helped us with his encouragement and advice.

Fr. VICTOR, O.C.D.

St. Joseph's Apostolic Seminary,

*ALWAYE,*

Feast of the Holy Family,

*12th January 1947.*

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## PRELIMINARY NOTIONS

**1. Idea of Society.** The word "Society" first conveys to our mind the idea of plurality. But *plurality* alone is not sufficient to constitute society, for plurality without some moral union can form a crowd, but not society. It is in this general sense that we speak of a hive of bees and a flock of sheep as society. But if the word "Society" is taken in its strict sense, it is applied only to a multitude of persons united by the bond of a *common end* towards which they tend. This implies a *moral union* of persons.

Society in its strict sense can be defined: *A moral union of several persons conspiring to attain a common end by the joint action and use of common means.*

The material element of society is plurality of persons; the formal element is the bond of union among the material elements, namely "authority" and the *specific element* is the common end of the associates.

**2. Various kinds of Societies.** We must distinguish: (a) *Natural and Free Society.* Society is called *natural* when it is the outcome of the inmost natural tendencies of man; and it is called *free* when based on conventional agreement. Family and State are *natural* societies; all conventional human institutions, such as scientific and academic or industrial associations, are *free* societies. (b) *Simple and Composite Society.* Society is called *simple* when it contains no other society within itself; and *composite*, when it contains subordinate units. An example of the former is the family; of the latter, the State. (c) *Composite society* can be *perfect* or *imperfect*. It is *perfect* when it possesses an end not subordinated "per se" to that of any other society, and has adequate means to obtain that end; *imperfect* society lacks one or both of these elements. Properly speaking there are only two perfect societies, i.e., the State and the Church.<sup>1</sup>

**3. Notion of Sociology.** The word "Sociology" was first used in 1839 by Auguste Comte, the founder of the French Positive Sociology. Etymologically it means *study of society*—from the Latin "socius" (companion) and the Greek "logos" (science). This nominal definition, however, does not express the entire significance of this

<sup>1</sup> Cfr. P. Marcellus a Puero Jesu, *Philosophia Scholastica*, Vol. III, p. 391.



science, because civil society is a very complex thing, and consequently liable to be treated under many different aspects, as civil, political, juridical, economical, moral, religious, etc.

Sociology holds a special place among social sciences, not only because it considers the social order and society in its vast extension, but because it gives us a general view of the principles of all the others, which study only some particular aspect of social activity. As Rev. P. J. Glen says, "this characterization of sociology is loose and unsatisfactory, but it is not possible to put into a brief formula the clear determined function of sociology as distinct from other social sciences."

Taking into consideration its general character, sociology can be defined thus: *A science which treats about the causes of social order, and prescribes and regulates man's duties in the promotion of that order.*" The chief objects of sociology are: (a) to deal with the principles of social order; and (b) to direct the society towards the realization of these principles. This distinguishes sociology from those *speculative or theoretical* sciences, which study truth for the purpose of enriching the mind, and not precisely to serve as a practical form of action.

**4. Catholic Sociology.** Catholics hold that man was created "to know, love and serve God in this world, and to be happy with Him for ever in the next." Hence all human activities, not excluding economic ones, must be guided by religious principles which are embodied in the true supernatural Revelation. For Catholics, therefore, sociology can be defined: *A science of society and its practical principles, interpreted according to the spirit of the Catholic Church.*

As this text is chiefly intended for the benefit of Catholic students, needless to say that it will be intensely Catholic in matter and form.

As to the development of Catholic Sociology, we must remember that a new era was opened to it by the *industrial revolution* of the eighteenth cen-

<sup>1</sup> Rev. Paul J. Glen, *Sociology*, page 5.

<sup>2</sup> Here are some other definitions of sociology expressing the different views of some of its devotees:

"Positive science of the fundamental laws of the social phenomena" (Auguste Comte).

"Science of Social Evolution" (Spencer).

"Science of Civilization" (Fonnils).

"Science of the nature, structure, life and laws of the whole Social Organization" (Azkarate).



tury. Hence the necessity of examining questions pertaining to labour, property, etc., with a view to ameliorate the condition of the working classes.

The initiators of the social movement were: In Germany, Bishop Von Ketteler; in Austria, Baron C. de Vogelsang; in Switzerland, Cardinal Mermillod.

The Catholic social movement began in France after 1870 with the campaign of Marquis de la Tour de Pin and of Count de Mun, to bring modern society back to religion and to the national traditions.

In the beginning different Catholic schools held different views regarding the methods of social reform. For the purpose of uniting these tendencies the Union of Fribourg was established in 1885 with the Pope's blessing under the leadership of Mgr. Mermillod. The object of this Union was to draw up principles of social action to guide Catholics in the study of social problems.

With the same object, but in a higher and more efficient form, was founded at Malines, 1920, the International Union for Social Studies under the patronage of Cardinal Mercier. This Union has exercised great influence on the Catholic social world and has published the famous Code of Social Principles which has been translated into several languages. Eminent men, such as Vermeersch, Ruttén, Sertillanges, Mgr. Deploige, etc., have been associated with this movement.<sup>1</sup>

But we find the truest source of social theology in the thought-provoking documents of the Popes, called *Encyclicals*. It is from them that all Catholic sociologists must draw both inspiration and knowledge to deal with social problems. Among the Encyclicals on social questions the most conspicuous are those issued by Leo XIII.<sup>2</sup> Not less important are the Encyclicals of Pope Pius XI, namely: *Divini Illius*, 1929, dealing with Christian Marriage and *Quadragesimo Anno*, 1931, a beautiful commentary on the "Rerum Novarum" of Leo XIII, issued on the occasion of the 40th year of the publication of the latter. It is consoling to see that the Catholic sociologists of the world at large go to the Encyclicals for safe guidance in the social problems of our days.

**5. Auxiliary Sciences.** For the study of modern sociology the knowledge of *Economics* is of utmost importance. The subject of economics being concerned with man's activities in connection with the production and distribution of wealth, it must necessarily be of very great aid for the solution of social problems; for the sociologist must have always in view the temporal welfare of man. He will try in vain to solve the so-called "social question", unless he possesses a fair grounding in economics. This accounts for our dealing more spaciouly with economic points in this treatise.

Besides, true sociology presupposes, to some extent at least, the study of *Religion* and *Morals*, as well as a fair knowledge of *Statistics*, *History*, *Anthropology*, and the like.

<sup>1</sup> Cfr. *Catholic Encyclopaedia*, art. Sociology; *A Code of Social Principles*, pp. 7-8.

<sup>2</sup> *Rerum Novarum*, 1891, called "The Worker's Charter", and *Immortale Dei*, 1885, dealing with the Christian constitution of States.



**6. History and Importance.** Though sociology has existed from the beginning of human race, and ancient Philosophers, like Plato and Aristotle, with prominent scholastics, like St. Thomas, have made their observations about man, society and social problems, yet sociology as treated today is considered a new subject. Though the word "Sociology" was invented by Auguste Comte in 1839, definite studies of sociological nature were not very numerous till the end of 19th century. In our times, however, great number of books are being published on social relations of man; and thus sociology is now recognized as a science of prime importance.

Unfortunately the modern *Pseudo-Sociology* does not wish to be guided by Christian principles; and it is engaging the attention of many thousands of anti-Catholics who misguide our poor humanity. Hence the study of sociology is, at the present moment, not only a matter of interest and utility, but of absolute necessity.

**7. Plan of this work.** This text is composed of two parts. In the First we give an outline of the nature of society, dealing with its socio-political relations, and we examine the chief constituent elements of social life, such as *the individual, the family, the state, and the international society*.

The Second Part describes socio-economic relations with which the modern world is so much concerned. Questions connected with the leading issues of socio-economic character, such as capital, labour, production, wages, trade unions, etc., will be dealt with. The fundamental problems of property too are discussed, weighing the various socialistic theories that challenge the right of property. All these subjects, after the usual division of economists, are treated under the following headings: (1) *Production*; (2) *Distribution*; and (3) *Exchange*.

Throughout the whole book convenient references are made to the Indian social problems, since the work is intended for Indian students.

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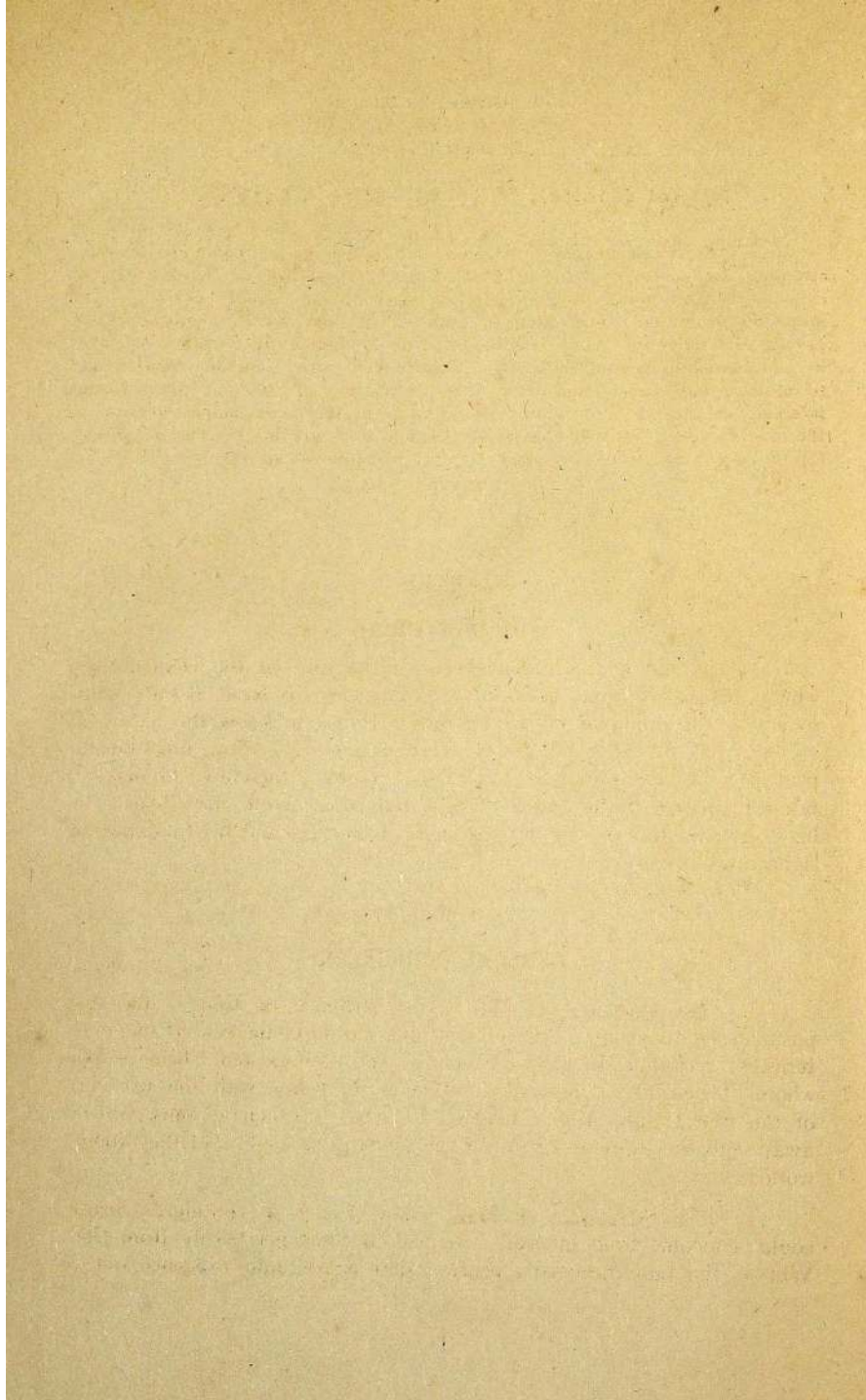
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## PART I

## SOCIO-POLITICAL RELATIONS

8. When trying to analyse the elements which go to make up the social structure, one observes that in every social organization are found elements or units which, morally united, form a whole called "Civil Society". The *individual* is its first and simplest element; its first social organism is the *family*; the union of many families in a determined locality makes up what we call *commune* or *panchayat*; the association of many communes gives origin to *nations* and *States*; and lastly, the association of different States forms *international society*. Therefore, ascending from the most simple element to the most complex, we shall successively treat in this part on: (1) The *individual*, (2) the *family*; (3) the *state*; and (4) the *international society*.

## CHAPTER I

## THE INDIVIDUAL.

9. The individual human being is the unit or the element into which all society may be resolved. For, as we have already said, society is the union of individual men. Hence to know the nature of society well we have to get a clear notion of certain fundamental principles of human nature. We deem it good, therefore, to make a brief mention of the basic truths connected with man, such as his origin, his nature, the purpose of his existence, and his fundamental rights and duties.

## ARTICLE I

## GENERAL PRINCIPLES.

10. **The Existence of God** The existence of God is the first postulate of sociology. In God we find the supreme key to the mysteries of nature. He is the absolute and self-existent being upon whom everything is dependent. If you do away with the existence of the first Cause, it is ridiculous to speak of society, since you do away with the supreme reason of the physical as well as of the rational world.

11. **The Creation of Man.** Man, being a contingent being, could not come from himself. He had to come necessarily from God, Who is the only necessary being. Man comes into existence out of



the *creative* act of God's free will. This is the great and categorical affirmation of the Catholic *dogma*,<sup>1</sup> confirmed by sound reason.

Consequently, the theory of the *sceptics* who pretend to ignore or fail to investigate the problems of the origin and nature of man, as well as that of *materialistic monism*, teaching that matter has existed of itself from all eternity and that everything, not excluding rational life, has evolved out of matter, are not only anti-Catholic, but highly unreasonable.

**12. Nature of Man** Every man is made up of body and soul linked in a substantial unity: hence the perfection of man must consist in the perfection of his body and his soul. Consequently, the ideal sociology cannot lie in the destruction of human body, but in its right perfection.

"Only an exaggerated *mysticism*, which has nothing to do with the Catholic Religion, can imagine that human perfection is in direct proportion to the diminution and decay of corporal forces. The mortification suggested by Catholic *asceticism* is in no way inspired by this principle, for asceticism tends only to restore the natural subordination of matter to the spirit, which was perturbed by the original sin".<sup>2</sup> Nor can the ideal of human perfection consist only in developing man into a perfect animal.

Perfection of man consists in the harmonic development of both the body and the spirit, which must always be subordinated to the dictates of the moral law and the ultimate end of man.

**13. Man is endowed with freedom and reason.** Reason and will are the two highest faculties of man. Reason or intellect has been created for *truth*, and free will for *good*. The assent of the intellect to *error* and the adherence of the will to *evil* are acts against the natural order of things. Now we should bear in mind that truth and good do not depend upon the variable condition of human caprices. There are immutable laws to which the operations of these two faculties must conform. Man cannot be the autonomous measure of good and truth, as Kant has said. Freedom of will must be exercised in accordance with moral law "*servato ordine finis*." Consequently, the tenets of rationalism, psychological determinism and of materialism

<sup>1</sup> The existence of God and creation are *postulates* of sociology, because these truths are taken for granted since they have been proved in other parts of philosophy.

<sup>2</sup> *Sociologia Cristiana* by J. M. Llovera, Ch. II, art. II.

are mere erroneous theories. (a) *Rationalism*, with its chief exponent Kant, holds that "among human actions the morally good is whatever is done according to the dictates of reason and *only* on account of that dictate, and whatever is done in any other way is morally vicious".<sup>1</sup> (b) *Psychological determinism* asserts that man, being determined by the psychological conditions of the organism, is not free and responsible for his actions. (c) Lastly, *materialism* denies the spirituality of the soul, and says that it is extinguished with death. No wonder, therefore that all these do not dislike the dictum: "Comedamus, et bibamus, et coronemur, rosas: cras enim moriemur".

14. **Man is Immortal.** Man, as his activities show, is endowed with a spiritual soul, and as such is incorruptible and immortal. On the other hand, his body is material and subject to the inflexible law of dissolution. Hence at the dissolution of the body, the soul does not die but continues to live its ultra-terrine life.<sup>2</sup>

15. **Supernatural Order.** Philosophy teaches us the natural end of man, while theology shows his supernatural destiny. Man was elevated from the natural to the supernatural order, and thus destined to supernatural happiness. For this purpose he was endowed with sanctifying grace, which gives him a right and is at the same time a means of attaining supernatural happiness.

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<sup>1</sup> *The Elements of Ethics* by Charles C. Miltner, p. 129.

<sup>2</sup> The Chinese, the Egyptians, the Etruscans and the Indians have left imperishable monuments of their belief in immortality. The *Shradda* ceremonies are the best evidence of the Hindu belief in immortality. The object of shraddas seems to be two-fold: First, to release the subtle body which is to convey the soul away; second, to raise the soul to heaven avoiding her roaming for an indefinite period among the demons and evil spirits (Cfr. J. N. Farquhar, *The Crown of Hinduism*, pp. 84, 85).



## ARTICLE II

## FUNDAMENTAL RIGHTS AND DUTIES

As the human persons are the ultimate element of society, it will not be out of place if we add a few notions on the rights and duties of individual men.

16. **Human Personality.** Duties and rights are of moral entities: hence only human beings can be capable of rights and duties; and animals, as such, cannot have rights.<sup>1</sup> At the same time no person can be the object of the right of another person, because the nature and the last destiny of all persons are the same: hence the unlawfulness of slavery.

Man's worth comes from his soul, which is immortal. Again, he has been made to the image and likeness of God, and has been redeemed by the Precious Blood of Jesus Christ: hence, as the price at which human souls have been bought back from the power of the devil was infinite, the human soul too is of infinite value; this value belongs to each human person, to each individual soul.

So, man, by reason of the fact that he is a human person with an eternal destiny, enjoys certain duties and rights that are sacred and inalienable, from which none not even the State can deprive him. And this is true to such an extent that the State cannot take the life of an innocent individual man, even to avoid a world-war. Never can the individual be considered as mere instrument of the State; but *vice versa*, the State exists for the good of the individuals. Countries whose people lack individual responsibility will never make a strong nation.

17. **Human rights and duties.** A right is defined as an *inviolable moral power which a person has of possessing, doing, or exacting something*. It is inviolable in the sense that, in normal circumstances, no one must interfere with it. For example, in normal circumstances, nobody should prevent me from exercising the right of disposing of my property.

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<sup>1</sup> Cruelty to animals is immoral, not because it violates any rights that animals may have, but because it is contrary to the dictates of reason. For such cruelty tends to make men cruel. Vivisection too is not illicit in itself; but where no necessity or use is served, it is not reasonable: hence it is evil.

Duty is a *moral obligation incumbent upon a person of doing, omitting, or avoiding something.*

Duty and right are correlatives: so, wherever A. has a right for something, his neighbour B. has a duty to allow him to exercise it. But it does not mean that he who has a right must exercise it. For example, every man has right to marry; but it does not follow that all should marry.

The source of all rights and duties is the law. Now, law may be of natural and positive order; and so we have *natural* and *positive* rights and duties. Natural rights are those that one possesses by the very reason of being a human person. As the fundamental law of human nature is to tend to his destiny, a person has natural rights to whatever is necessary for his *physical, moral* and *intellectual* preservation and development. Rights and duties based on positive law, whether divine or human, are called *positive*. Thus the rights civil law gives every citizen are positive ones.

18. **Fundamental Duties.** Man has to tend to his end through social life: hence his main duties are towards *God*, towards *himself*, and towards his *neighbours*.

(a) *Duties towards God*: The first duty of man is to know his Maker and to serve Him; and this is called *Religion*. Religion, therefore, is the first and the fundamental duty of man; and, since the relations of human nature and God are for all the same, it follows that Religion cannot be a relative thing to be varied according to men and times.

If the primary duty of Religion is not fulfilled, then there is no hope that temporal conditions of men can be rightly regulated. All social evils have ever originated from the neglect of man's duties towards God. Plans, theories and suggestions will never bring to mankind full peace and well-being, unless they are based on the acknowledgment of the Almighty God.

(b) *Duties towards himself*: The fundamental duty of man towards himself is to develop fully all his faculties *physical, moral* and *intellectual* and thereby obtain his last end. With regard to his body, there is the duty of preserving it and the duty of avoiding death. With regard to his *intellect*, man has the duty of exercising and perfecting it. Now, the intellect is perfected by *truth*. Some truths are necessary to man, if he is to achieve his last end as rational



being; many other truths, however, are not of necessary character. As the intellect is perfected by truth, in like manner the *will* is perfected by *good*. Man's foremost good, therefore, is to attain his last end, which will consist in possessing a good, which can perfectly satiate all his desires, that is the infinite good—God. But the way to possess God is to practise virtue and to moderate the passions: hence the training of the will consists in the practice of virtues.

(c) *Duties towards neighbours*: By nature all men are equal. All are made to achieve the same end: hence humanity is or constitutes one great family. It is in this solidarity of human nature that the duty of love for neighbours is rooted. The formulae "*Love thy neighbour as thyself*", and "*Injure not thy neighbour nor his goods*" express the basal duties of man towards his neighbours, and these are fulfilled by means of *charity*<sup>1</sup> and *gratitude*.

Since rights and duties are correlative among men, what we have said of the human duties can be applied to *human rights*.

19. **Harmony of Rights** Though fundamentally the rights of all men are equal, there are certain rights in social life that correspond to the particular position one occupies in it. Some are superiors, others are subjects, some are in the position of parents, others of children, etc. Hence the great variety of rights and duties in a social as well as in a family life. But since all the rights are derived from God, there cannot be a real collision of rights. In case of apparent collision, the superior's right must prevail.

The State, however, must stand as the guardian of all rights, both individual and social. For every human individual has a sacred value, an inviolable individuality, and as such he has a personal destiny which the State must help him to realize. The State also has to provide the citizens with the means of developing to the fullest the personality of the citizens in physical, material, intellectual, and moral order.

#### SELECT READINGS

J. Rickaby, S.J., *Moral Philosophy*, pp. 244-251 (Longmans, Green & Co., 1929).

<sup>1</sup> Duties of charity are different from duties of justice. Duties of charity do not impart a corresponding right, but only a *claim*. Duties to correspond to *rights* are called by English moralists *perfect* duties. Duties answering to claims only, they call *imperfect*, for they do not demand restitution.

D. Ferroli, S.J., *Moral Science*, Vol. II, Ch. I, II, III.

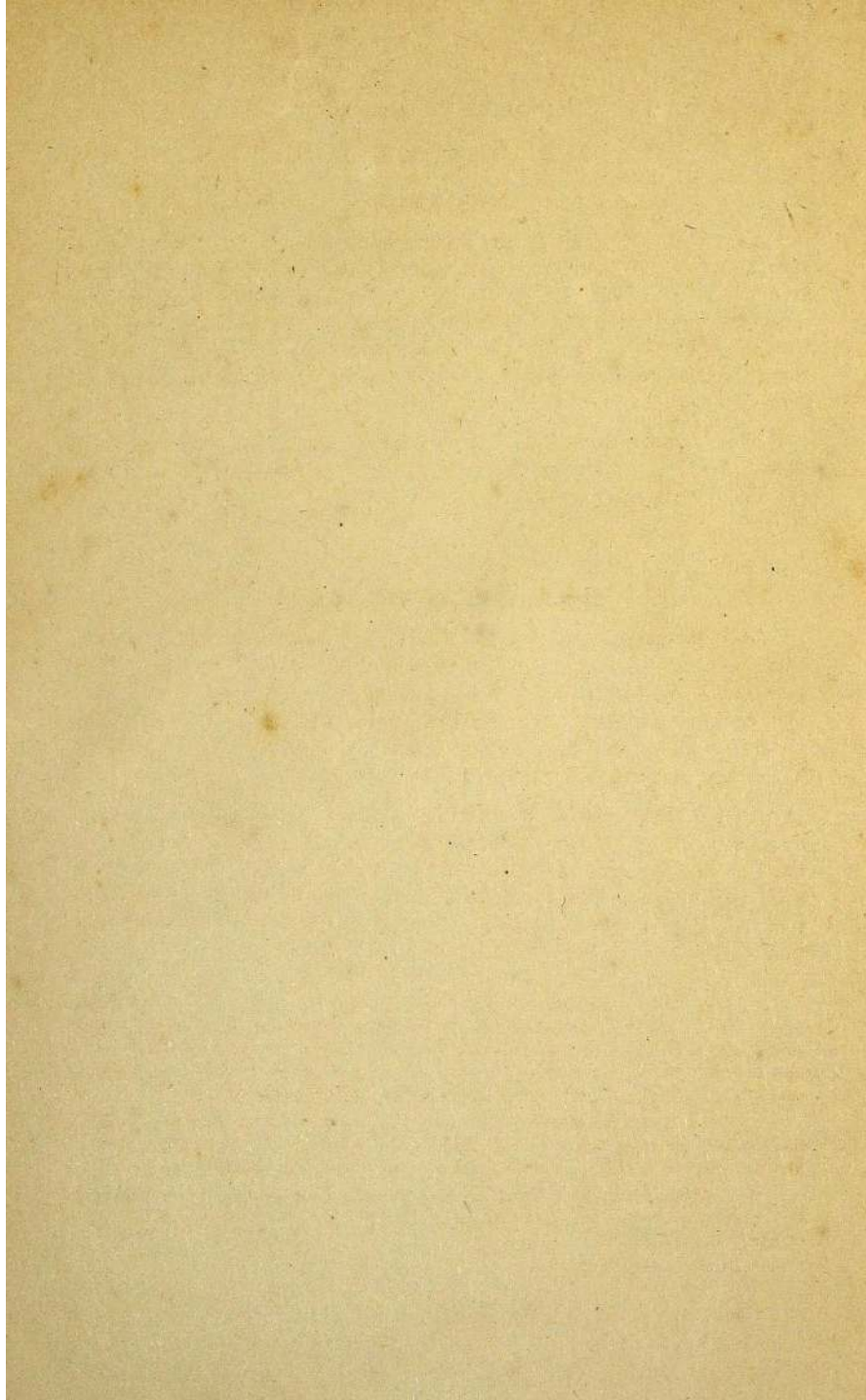
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## CHAPTER II

## THE FAMILY

20. The individual is the fundamental unit in the State. It is not, however, the individuals that *immediately* commence the State or Civil Society, but the *family*, which holds a middle position between the individual and the State.<sup>1</sup> Assuming an analogy from the human body, the family has been called the "social cell" for as every organic body is made up of cells, so the family is the cell of all social groups.

This chapter discusses the following questions regarding the family: (1) The nature of the family. (2) Domestic society or home. (3) The Educational problem.

## ARTICLE I

## THE NATURE OF THE FAMILY

21. **Meaning of the Family.** Family is a human society in miniature, and at the same time the natural basis of civil society. The purpose of the family is not only to perpetuate the human race, but also to form nations. "The family", wrote Leo XIII, "is the cradle of civil society, and it is largely within the confines of the domestic hearth that is prepared the destiny of nations".<sup>2</sup>

By the term *family*, Romans often meant parents alone (*conjugal society*). In the Middle Ages the term included all the members of the *domestic society*: parents, children and servants. At present the word *family* is commonly restricted to the unity formed by parents and their children (*parental society*). It is in this sense that we shall employ this word.

<sup>1</sup> When going through the New Constitution of India, one cannot help being struck with a most regrettable omission. Nothing is said about the family. The State will have no family policy as it had nothing to do with and for the State. This makes a great contrast with the sensible leading idea to be found in Art. 14 of Eire's Constitution, which reads:

"The State recognises the Family as the natural primary and fundamental unit-group of Society, and as a moral institution possessing inalienable and inprescriptible rights, antecedent and superior to all positive law . . ."

The omission of the Indian Constitution is most grievous; for it endangers the foundations of State-life and goes against the conviction and tradition of the people of India.

<sup>2</sup> Encycl. *Immortale Dei*.



22. **Origin of the Family.** The one-sided evolutionists would tell us that family is the outcome of biological and social processes. They contend that in the beginning man, like animals, propagated promiscuously; and it was only after many successive and progressive stages that the family was formed and considered as a sacred and ideal society. Needless to say that historical facts do not support such a view. History as well as reason tell us that family is a natural society existing in all times, and not an artificial one invented by men. Well-ordered family life came into existence through *marriage*.

23. **Marriage.** The human race is propagated by generation. In the wise dispensation of Divine Providence the propagation of mankind, as that of irrational animals, is obtained by the natural union of sexes; consequently the particular functions of husband and wife in the family are mainly determined by their different natures, and by their relations to the primary end of the family, namely, *the procreation and education of children*.

In rational beings, unlike other animals, the conjugal union is not only intended for the physical complement of the sexes, but also for their mutual, *moral* and *spiritual* complement. As Aristotle says, "cohabitation among mankind is not for mere raising of children, but also for the partnership in life, for the offices of man and woman are distinct and different: thus they mutually supply for one another, putting their several advantages into the common stock".<sup>1</sup> These advantages can be obtained in a permanent union of man and woman, i.e., *marriage* which can be defined thus: *The stable union of man and woman living together a common life for the purpose of the procreation and education of children*.

Marriage is a contract. Its *primary end* is the propagation of the human race together with the education of children. The *secondary end* is mutual assistance and the fostering of conjugal love.

For a Christian, marriage is more than a contract—it is a *Sacrament*; that is to say, the conjugal contract has become among the Christians a source of the sanctifying and actual graces that are necessary to fulfil the duties of the marriage state.

The primary purpose of marriage being the propagation and perpetuation of human race, those parents who *positively* and *artificially*

<sup>1</sup> Aristotle, *Ethicorum*, VIII, xix, 7.



exclude generation' act against the natural law. But as marriage is not meant exclusively for the multiplication of the species it follows that its secondary ends suffice to render it lawful when for one reason or another its primary end cannot be obtained.

24. **Marriage and Celibacy.** Conjugal society is not only in accordance with nature, but also a necessary institution for the preservation of mankind. From this we can easily come to the conclusion that the right to marriage is natural and irrevocable. But it does not follow that marriage is an obligatory state for everyone individually. The propagation of the human race is an obligation incumbent on mankind as a whole; it would become a duty of every individual, if there were a danger of the human race dying out. Only in this extreme condition marriage may be compulsory for individuals. This, however, is only sheer possibility, which will never happen; consequently this obligation of nature falls *collectively* upon the species, rather than upon individuals.

Celibacy can be said to be more perfect than marriage for those who devote themselves exclusively to promote their spiritual welfare and the good of society, and also for those engaged in research work and other social services which absorb the life of a man.

25. **Characteristics of Marriage.** (a) It should be *permanent*. The natural end of marriage implies not only generation, but also the education of children. It is not sufficient to bring a child into existence; he must be nourished and brought up physically, morally and intellectually. For such an education mutual co-operation and long-continued care of the parents are absolutely needed. All this suggests that the union of the parents should be *permanent*.

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<sup>1</sup> *Birth Control* has been aptly defined by Mr. G. K. Chesterton as "fewer births and no control". It does not mean the permissible, and often praiseworthy, abstinence from the marriage function. What Birth Control means is that spouses do not abstain from the marriage right, but employ physical, chemical, mechanical, or other artificial means to prevent the normal and natural effect of their action. In a word, it means the spouses practise what is called *contraception*. Mr. G. B. Shaw calls it more bluntly "reciprocal masturbation".

Pius XI states on this matter: "No reason, however grave, may be put forward by which anything intrinsically against nature may become conformable to nature and morally good. Since, therefore, the conjugal act is destined primarily by nature for the begetting of children, those who in exercising it deliberately frustrate its natural power and purpose, sin against nature and commit a deed which is shameful and intrinsically vicious." (Encycl. *Casti connubii*, p. 91).



(b) It should be *monogamous*. The Author of nature intends that the end of marriage should not be carried out promiscuously, as is the case among the animals, but according to the dignity of rational beings. Now, that form of marriage will be the most dignified which is more in conformity with human dignity and the equality of rights of the spouses. This equality of rights surely demands the union of a man and a woman. Hence every matrimonial contract should be *monogamous*.

26. **Unity of Marriage.** By *unity of marriage* here is meant the union of one man with one woman for the purpose of procreating and educating children. The opposite form is *polygamy*.

Polygamy is a term used to describe both what is strictly called *polygamy*—the marriage of one husband to several wives, and *polyandry*—the conjugal union of one woman to several men.

Sociologists generally admit that *monogamy* is the most dignified form of marriage. It is not, however, certain that society as a whole was always monogamous. But the assertion of some anthropologists, that the original form of marriage was *promiscuity*, never has been proved. So far no historian has been able to prove that primitive people lived in promiscuity. The theory that the original form of marriage was polyandry is even less worthy of consideration. As far as history shows, in every country, monogamy has been the general rule, though often polygamy was widely practised. Polygamy was on the whole more common among Semitic races than among the Arians. It was more frequent among the Jews, the Egyptians and Medes than among the people of Greece or Rome. It existed to a greater extent among the uncivilized races, although many of them were free from it. Moreover, even in those nations where polygamy was practised, it was restricted to a minority of the population, as kings, chiefs, nobles and the rich.<sup>1</sup> Polygamy is yet observed in many Eastern countries, and it is sanctioned by Mahomedan law.<sup>2</sup>

Polyandry has never been widely spread, and, as a recognized form of marriage, is extremely rare; though still it is observed by the small tribe

<sup>1</sup> Cfr. Rt. Rev. A. Le Roy, *The Religion of primitives*, p. 252. Westernman. *A short History of Human Marriage*, p. 247; *Catholic Encyclopaedia*, art. Family.

<sup>2</sup> Korum, Suna Nisa says: "And if you fear that she shall not act with equity towards orphans of the female sex, take in marriage such other woman as please you, two, three, or four, and not more."



of Todas (in Nilgiris) and one or two castes in Tibet. It exists in an irregular form among some Nairs in Malabar.<sup>1</sup>

On this point G. Clune says: "Once it is admitted that husband and wife are essentially equal and that the main difference in equality is that the husband is the head of marriage society, it is clear that polygamy is simply an outrage on the dignity of the woman and inevitably lowers her status. If she is one of two or more wives, she lives on a lower level than her husband, even though she should happen to be the first in his affections. If she is not the first, she is lower still. Whatever her position, she is degraded; the husband is degraded in his outlook of manner of life; dissensions, jealousies, and rivalries are inevitable in the home; and peace and harmony are entirely impossible".<sup>2</sup>

Monogamy is also best for the promotion of the interests of the State, for it is the bulwark of the family and prevents numerous serious abuses incompatible with social progress. States are only collections of families and the welfare of the State cannot but depend upon healthy family life.<sup>3</sup>

Since *promiscuity* and *polygamy* tend to the infertility of women and uncertainty of parenthood, they are forbidden by the law of nature whose primary end in marriage is the begetting and education of children.

Polygamy, in the sense of the plurality of wives, does not frustrate necessarily the primary ends of matrimony, but it is evidently against human dignity and equality expected in such a kind of contract as

<sup>1</sup> Though it is difficult to establish a definite rule about the monogamic character of Hindu marriage on account of the complexity of the various castes, still it seems that monogamy is more in accordance with the Vedic traditions and even with the spirit of Hinduism in general. It is, yet, true, that Manu allows polygamy to higher caste people; but this by the context may be considered rather a *tolerance* than a real *permission* "*propter duritiam cordis*," as Moses allowed to the Jews.

In recent times, however, due to the influence of the Christian civilization (See *Modern Religious Movements in India* by T. N. Farquhar, page 388) monogamy has become the rule among the Hindus, though polygamy is still practised mainly among Zamindars and wealthy people. Moreover, we find in India a characteristic natural difficulty for the extension of polygamy: for, unlike in many other countries, in India the male population outnumbered that of the females by more than 800,000. Cfr. *Census of India, 1931*, Vol. I, Chap. V.

<sup>2</sup> *Christian Social Organization*, Chap. XI, p. 210.

<sup>3</sup> Cfr. Robinson and Christoph, *Introductory Sociology*, p. 92.



marriage. Again, polygamy greatly perturbs the peace and tranquillity of the domestic hearth. The unity of marriage is more essential than its indissolubility. Nature is more against polygamy than against divorce. Even Henry VIII stuck at polygamy.

27. **The Indissolubility of Marriage.** Marriage is a contract. But the binding nature of the marriage contract is different from that of ordinary contracts, because in the latter men are free to dissolve them, *positis ponendis*, while the matrimonial contract is *sui generis*, that is, indissoluble by divine sanction. This renders the bond *permanent*, so that it cannot be broken either by mutual voluntary consent of the parties or by any human authority. As long as the bond exists, a second marriage attempted is not only illicit, but *invalid*. The only concession allowed in this respect is what is called separation from *bed and board* *divortium imperfectum*.

The real divorce is a refined way of justifying man's lowest appetites under the appearance of *liberty* and *legality*. Divorce was hardly known in Medieval Europe; it has been the fruit of the Reformation, and has been called the blessing of the Lutheran Reformation. It spread from Protestant countries to many others in the West, and now-a-days is a prevailing social plague menacing the very foundation of the nations.<sup>1</sup>

There are solid reasons to prove that the marriage bond should be indissoluble. The end of marriage is one strong case for it. Marriage was meant for the propagation and education of children. This means that the union of the parents must last, at least, until the physical and moral formation of the children is completed. Proper education cannot normally be accomplished within less than thirty years after marriage. Now, if we examine the tables of duration of life, we shall see that men do not generally live more years than necessary for the accomplishment of the education of children; and parents who still live after they have completed their children's education must necessarily be of advanced

<sup>1</sup> In U.S.A. the number of divorces has reached the incredible figure of 200,000 per year. In Leningrad, in 1927, the number of marriages was 24,000, while divorces were 16,000. Cfr. *Amor, Matrimonio, Familia*, by William Schmidh., p. 108.

The percentage of divorces has been increasing steadily. In Germany during the first thirty years of the century the rate almost doubled. In the United States, about a quarter of a million divorces occur annually, and more than sixteen out of every hundred marriages end in divorce. Cfr. *Church History by Centuries* by Joseph McSorley, p. 953.



age. It would be really ridiculous to think of separation at such an age.<sup>1</sup>

From this point of view it is sufficiently clear that the good of the children demands that the union of the parents in marriage be not only stable, but also *indissoluble*.<sup>2</sup>

Catholic Theologians are fairly well agreed that indissolubility is established not by the primary, but by the secondary law of nature—a theory which accords better with the so-called “Pauline Privilege”—though marriage contract creates an indissoluble bond as authentically interpreted by divine positive law.<sup>3</sup>

Finally, we have the definite legislation of Our Lord who says: “What, therefore, God hath joined together, let no man put asunder” (*Matt.* xix, 6). This settles the matter absolutely for all Christians and non-Christians. No power on earth can dissolve a consummated valid marriage.<sup>4</sup>

**28. The Divorce.** The freedom of unlimited divorce prevailing in Western countries is an insult to family life, to society and to human nature; and nature is taking revenge in many ways. It has shown that the stream of human life cannot be dried up without the consequent peril to the very existence of society. Divorce, still more than the methods of birth-control, seems to be the cause of the decline observed in the population of modern states.

But what about divorce in *hard cases*? Such cases are due to disease, infidelity, difference of character, or similar causes, making common life of the spouses very difficult. Even in these cases we must never forget that marriage is a fundamental institution of nature, and that particular cases cannot change its natural qualities; for it is better

<sup>1</sup> Cfr. J. Balmes, *Filosofia Elemental*, Etica. Cap. 17.

<sup>2</sup> On this point J. Rickaby writes: “A certain inseparability is of the nature of marriage, so that marriage may truly be said to be indissoluble by the law of nature. Whether this natural indissolubility is absolute and holds for every conceivable contingency, the students may judge by the proofs.” (*Moral Philosophy*, Sect. III, chap. VI).

<sup>3</sup> Cfr. *Church History by Centuries* by Joseph McSorley, p. 952.

<sup>4</sup> As a general rule, among the higher caste Hindus marriage is indissoluble and divorce is not admitted; but where it is recognized, it is not dependent on judicial decree, but on the husband's will, and no countervailing privilege is accorded to the wife. Dissolution of marriage by mutual consent is usual among the inferior castes and backward tribes.



that some individua's should suffer than the common good of the whole community.'

There is more wisdom in the law forbidding absolute divorce than in that allowing it now and then. Balmes, justifying the conduct of the Catholic Church in connection with divorce, writes: "In the direction of the passions there are two systems: the one of compliance, the other of resistance. In the first of these, they are yielded to as they advance: an invincible obstacle is never opposed to them; they are never left without hope. A line is traced round them which, it is true, prevents them from exceeding a certain boundary; but they are given to understand that, if they come to place their foot upon the limit, it will retrace a little further, so that the compliance is in proportion of the energy and obstinacy of their demands. In the second system, a line is equally marked out to the passions, which they cannot pass; but it is a wall of brass... The first system allows the fire to break out to prevent an explosion; the second hinders the beginning of it, in the fear of being compelled to arrest its progress. In the one, they act on the supposition that the passions are weakened by indulgence; in the other, it is believed that gratification, far from satisfying, only renders them every day more and more devouring". The Catholic Church follows the second of these two systems.

29. **Marriage for Christians.** It is to be noted that Catholic Church has always held that the marriage contract for Catholics is inseparable and indivisible from the Sacrament. Christ entrusted to the Church the entire discipline of the Sacraments, and, therefore, every Christian marriage is by His will subject to the exclusive jurisdiction of the Church.

Besides, Christian marriage is by the express will of Christ *one* and *indissoluble*: "Unus cum una et pro semper". In this connection we read in the Scripture: "Wherefore a man shall leave father and mother, and shall cleave to his wife; and they shall be two in one flesh" (Gen. ii, 24). Therefore, now they are not two but one flesh. What therefore God hath joined together, let no man put asunder" (Matt. xx, 6). "Moses, by reason of the hardness of your heart, permitted you to put away your wives; but from the beginning it was not so" (Matt. xix, 6).

<sup>1</sup> Solutions to the objections against indissolubility can be found in St. Thomas, *Contra Gen., Supplem.*, 9. 67, a. 1.

<sup>2</sup> *European Civilization*, Chap. 25.



The law of *unity* does not admit of any exception. On the other hand the law of *indissolubility* admits the following exceptions: (1) Christian marriage once contracted (*matrimonium ratum*), but not consummated, is dissolved by the solemn religious profession of one of the parties; (2) it can be dissolved also by the supreme authority of the Holy See; (3) lastly, the marriage contracted by non-Christians can be dissolved whenever one of them becomes Christian and the other party does not consent to cohabit *absque contumelia Creatoris* (*Privilegium Paulinum*, *I Cor.* viii, 13, 15).

The decree of *nullity*, now and then granted, does not mean a decree of divorce, but a declaration that the marriage was *null* and *void*.

30. **Marriage and Civil Authority.** Though Luther declared marriage not to be a Sacrament but "a worldly thing", nevertheless, all the Protestant sects regard it as sacred and religious in the sense that it ought to be contracted in the presence of a clergyman. Owing to the influence of the Lutheran view and of the French Revolution, *civil marriage* has been instituted in almost all the countries of the West.

According to Catholic doctrine, however, civil authority cannot arrogate to itself the right to legislate on Christian marriages. It can legislate only on purely civil effects of the marriage.

Civil authority has greater power as regards pagan matrimony, since no legitimate religious authority exists among them. Certainly this concession is not made because it is the prerogative of the civil authority *per se* to legislate on family, but on account of necessity.<sup>1</sup>

31. **Eugenics in Marriage and the State.** One of the preoccupations of modern statesmen is the question of birth and population, and consequently, of *Eugenics*, which deals with the means to improve the human race by selective breeding. In certain countries measures have been taken to improve the race by laws prohibiting the marriage of the *unfit* and limiting the rate of birth by contraceptives. Some envious statesman, animated by extreme patriotism, have forced sterilization laws to improve the race. According to these laws, mental deficient, criminals, epileptics, etc., are considered *unfit* for mar-

<sup>1</sup> Cfr. Instruction of the Sacred Congregation of the Propagation of the Faith, 1821; Tanqueray, *Synopsis Theol. Dogm.* De matrimonio, art. III; Billot, *De Sacramentis*, II, Thesis XVII ad 5.



riage, because their progeny would be either a menace or a burden to society.

Principles of Eugenics can be followed in so far as they do not contradict the *natural law* or the *positive law* of the Catholic Church. In this connection E. J. Ross writes: "The practice of sterilization is entirely opposed to the natural law. One cannot deprive a person of his right to marry and live a normal family life for a mere probability of harm to a future generation. The State has no complete dominion over man, and cannot deprive him of a natural function of the body for any financial or other benefits to others. Nor can man voluntarily deprive himself of any part of his body, unless such a sacrifice is imperative for his physical good".<sup>1</sup>

The Church strongly advises abstinence from marriage to those infected by an inheritable disease; but it does not forbid such marriage. Only the marriage of the insane is forbidden by the Church, because insane people are incapable of making any contract.<sup>2</sup>

The State may, indeed, take reasonable and lawful measure to prevent the possible degeneration of a race, but it cannot justly deprive man of the functions given by him by God and nature. On this point Pope Pius XI writes: "Furthermore, Christian doctrine establishes, and light of reason makes it more clear, that private individuals have no other power over the members of their bodies than that which pertains to their natural ends; and they are not free to destroy or mutilate their members, or in any other way render themselves unfit for their natural function, except when no other provision can be made for the good of the whole body".<sup>3</sup>

<sup>1</sup> E. J. Ross, *A Survey of Sociology*, Chap. XIX.

<sup>2</sup> For reasons of *Eugenics* the Child-Marriage should be abolished, for it saps the vitality of the race. How general such a custom is in India can be inferred from the statistics given in the Census of 1931. We find in it that the number of marriages of those below fifteen is 5,530,625 males and 12,247,595 females.

One of the consequences of so many early marriages is the high rate of maternal mortality. "Sir John Megan, till lately Director-General of the Indian Medical Service, suggested that about 200,000 women were laying down their lives every year in making their contribution to the community." (*Madras Mail*, Dec. 5, 1936).

<sup>3</sup> *Encycl. Casti Connubii*.

## ARTICLE II

## DOMESTIC SOCIETY OR HOME

32. **Home.** When a marriage is blessed with offspring, the conjugal society becomes a family. Family is "the social unit consisting of parents and children living together." They turn a house into a *home*, the sweet nest where we were born and lived surrounded by the loving care of both father and mother.

Nothing is on earth more beautiful than a well-ordered family, which is born and nurtured in an atmosphere of love. Respect, esteem and love for authority, as well as sincere obedience, prevail there. Kindness and love are not only taught here, but also practised. Unfortunately, however, such type of families is fast disappearing owing to the sophisticated life of our modern towns and cities, though happily for the world, the ideal families are many in the countryside.

Since the members of the family are *father, mother and children*, we shall say a few words about the particular functions of each of them, so as to show how an *ideal home* should be.

33. **Father.** The father is the head of the family, and as such sets everything in order and imparts to all a right direction. The family in turn perfects him and inspires him to activity which is useful and valuable to himself, his wife, his children and the community at large.

The family, being a perfect society, as St. Thomas says<sup>1</sup>, needs, necessarily an authority for its existence as well as for its continuity. In domestic society, the authority chiefly resides in the father (*partia potestas*), who is the active principle of generation; and besides, he is gifted with physical and moral qualities superior to woman. Further, he is usually strong and best fitted to earn and provide the needful for the domestic society. All the same, his rule should not be *absolute* and *despotic*, but rather *paternal* and *constitutional*, tempered by the advice of his wife, who should be his trusty counsellor and loving companion. It has well been said that the father should be the *mind* and the mother the *heart* of the family.<sup>2</sup>

<sup>1</sup> De Regimine Principum, c. I.

<sup>2</sup> "We are foolish in speaking of the superiority of one sex to the other, as if they could be compared in similar things. Each has what the other has not; each completes the other and is completed by the other; they are in nothing alike and the happiness and perfection of both depends on each asking and receiving from the other what the other can give." *The Clergy Review*, May, 1943, article on Marriage, pp. 220-221.



Leo XIII gives expression to this thought in his *Arcanum Divinae*. He writes: "This subjection, however, does not deny or take away the liberty which fully belongs to the woman, both in view of her dignity as a human person, and in view of her most noble office as wife, mother and companion . . . In fact, if the husband neglects his duty, it falls to the wife to take his place in directing the family." History tells us that both in the West and in the East the father has been the chief ruler of the family. But the modern doctrines of complete emancipation of women have broken this traditional harmony and by placing women on the same footing as man, have badly altered the natural order of the domestic society.<sup>1</sup>

**34. Mother.** The mother finds in the family and home her glory, her kingdom, her bulwark. She has safety and protection there, especially in these days of loose morals and lost ideals, when man and woman have lost their sweet gentleness and have cast away their ennobling dignity, and one is sure to meet with scoffing laughter at the bare mention of the weaker sex. But it is a fact that women are always at a disadvantage as regards human passions. They are defenceless against men's brutal attacks and passions; and it is at home that they find a true defence against the attacks.

A permanent home, the product of monogamous marriage with all its attributes, is a real necessity for the wife and mother. Without mothers, the race would perish: hence whatever serves to cherish and protect motherhood renders humanity a social service. We cannot expect such a social service from temporary marriages, or divorceable marriages or from marriages stained by *birth control*. Only true marriage, faithful and permanent, can establish a family that has social value.

In this connection it is the duty of the State to do all that it can to protect and to strengthen the family, to secure its rights and to render the exact fulfilment of its duties possible.

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<sup>1</sup> Parental authority has often resulted too excessive. The law of ancient Rome allowed the father the right of life and death over the children. Father could dissolve the marriage of his daughter as well as repudiate his wife, or put her to death. In later periods of Roman history we see, however, that the Roman matrons were much honoured.

The paternal type of authority has flourished also among the *Hindus* from time immemorial till our own days. *Manu* expresses the Hindu mind when he says: "Though destitute of virtue, or seeking pleasure elsewhere, or devoid of good qualities, yet a husband must be constantly worshipped as a God by the faithful wife." (*Manu*, V, 154).



Among the various problems brought about by modern society one of transcendental consequence is the employment of married women outside their homes. The effects in a mother who regularly is absent from her home, and thereby cannot look after the physical and moral education of the children, cannot but be dangerous and fatal for the family.

The ordinary result is that the family life is broken up, since a mother whose time and energy has been employed in industrial work can in no way attend to the preparation of nourishing meals and give due attention to her husband and children, and thereby keep the home attractive.

Most married women are compelled to do factory work, because of the insufficiency of their husband's wages, or because there are no other means of supporting the family. The State should come in to solve this important problem by establishing *minimum wage laws*. That is the reason why Christian sociologists should insist on this point. Let us bear in mind what Pius XI writes on the subject: "Mothers will devote their work to the home and the things connected with it. Intolerable, and to be opposed with all our strength, is the abuse whereby mothers of families, because of the insufficiency of the father's salary, are forced to engage themselves in earning occupations outside the domestic wall to the neglect of their own proper cares and duties, particularly the education of their children".<sup>1</sup>

35. **Children.** Every child has a claim to a normal home. It has to find its support, protection and training at the hands of its father and mother; and it can find these requirements only in a home where parents are well united through an exclusive and faithful wedlock. Homes broken by divorce or desertion, homes stained by parental infidelity, cause incalculable damage to the child.

Home failure is child's failure, as it is evident from those who lack home education. The statistics of crime confirm this assertion. Without a normal home a child is almost sure to lack the equipment necessary to make him a valuable member of society. It is the duty of sociologists to exert and make efforts for conserving and upbuilding the normal home life in order to improve civilization. The State also has to do the same in case it wishes to fulfil its mission in society.

But it is a special responsibility of parents to look after the well-being of their children from the very moment of their existence. Home

<sup>1</sup> *Quadragesimo Anno*, p. 24.



is the best school, and parents must see not only to the physical formation and conservation of their children, but also to their moral and religious formation in their tender age, when their delicate souls are susceptible of being impressed by evil and bad examples.<sup>1</sup> In proportion children advance in age, the duty of the parents decreases; and it almost ceases to exist when children come to mature age and abandon the parental tutelage.

One of the duties of the parents is to advise their children, when the proper time comes to embrace a new state of life. But children are entitled to select their life companion according to their desire. Pius XI insists on this: "To the proximate preparation of a good married life", he says in his encyclical, "belongs very specially the care in choosing a partner; on that depends a great deal whether the forthcoming marriage will be happy or not, since one may be to the other either a great help in leading a Christian life, or a great danger and hindrance. And so, that they may not deplore for the rest of their lives the sorrows arising from an indiscreet marriage, those about to enter into wedlock should carefully deliberate in choosing the person with whom henceforward they must live continually".<sup>2</sup>

The old practice of parents of arranging the marriage of their children without taking their desires into consideration is still observed in some Eastern countries.<sup>3</sup>

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<sup>1</sup> From experience we know that family education as a whole is not very solid in India. Parents often yield to their children, instead of submitting them to a strict discipline. Parents make idle treats and promises to their children, and thus they undermine the very foundation of education. Again, they have no secrets to keep from their children, and speak to their face their faults and, what is worse, their good qualities. They discuss family problems and even reserved subjects in their children's presence. The parents fail to realize that there are many things that should not reach children's ears. So children are already sophisticated in many matters before they are sent to school.

<sup>2</sup> *Casti Connubii*, p. 115.

<sup>3</sup> In India the practice is that parents arrange the marriage of their children, especially of the girls, without consulting their wishes. And to justify the custom it is urged that the parents will take care that the husband is not unfit. But often it is not the case; because parents are swayed by their self-interest, instead of taking into consideration the interest of their daughters. It must be borne in mind that the marriage is not of the parents, but of children; and though the parents have a right to be consulted, they have no right to bind their children for life to another person, without a considered, free and willing consent of the parties.

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## ARTICLE III

## EDUCATIONAL PROBLEM

36. In the two previous articles we have been considering the nature of the family, and the general duties and rights of parents. Now as a complementary subject we must treat about the educational problem, which, as a matter of fact, begins at the birth of children. The main question to be discussed is whether the parents or the State are called by nature to educate the children. The solution of the whole question hinges on the right conception of the *relations* that should exist between the child and parents on the one hand, and between the family and State on the other. As a preliminary note let us see what is meant by education.

37. **The Meaning of Education.** Education means more than mere schooling. It means the development of all child's powers and



faculties; it supposes the training of its *body, mind and will*: hence it means his physical, intellectual and moral education. (1) *Physical education* is attained by the due development and the normal promotion of bodily health. (2) *Intellectual education* means instruction on principles and truths that are necessary to make man cultured and honest. Children should be equipped with sufficient knowledge to make their way in life easy, and to develop their mental powers to a fair degree of perfection. (3) *Moral education* consists in forming the will and the heart of the child in such a way as to enable him to fulfil his duties towards God, towards his neighbours, towards himself and towards society, and obtain his eternal salvation.

Well-ordered education must always keep in view the end for which man was created, and consequently should develop in the children those moral qualities that will direct man to that end. Education, therefore, should be a means to an end. Hence the aim of the education should be clear; where that end is obscure or inadequate, the process of education is bound to be deficient. Taking into consideration all the fundamental elements, the *Catholic Encyclopaedia* defines education thus: "That form of social activity whereby, under the direction of mature minds and by the use of adequate means, the physical, intellectual, and moral powers of the immature human being are developed so as to prepare him for the accomplishment of his life-work here and for the attainment of his eternal destiny".<sup>1</sup>

These very same ideas are emphasised by Pius XI when he writes: "Since education consists essentially in preparing man for what he must be and for what he must do here below in order to attain the sublime end for which he was created, it is clear that there can be no education which is not wholly directed to man's last end, and that in the present order of Providence, since God revealed Himself to us in the person of His only-begotten Son, who is 'the way, the truth and the life', there can be no ideally perfect education which is not Christian education".<sup>2</sup>

**38. The Parents and Child in Education.** As the parents have the obligation of bringing up their children, in the same way they have the primary and the natural right and obligation of educating them. No State, or any other individual or social entity, can interfere with this natural parental right; only when parents neglect their obligation, the State can interfere.

<sup>1</sup> *Catholic Encyclopaedia*, art. Education.

<sup>2</sup> *Encycl. Divini Illius*.

Now, it has been asked: Who has the right to determine in detail the precise sort of education to be given to the child while in school? Some have answered: the State. True it is that every child is born a citizen of some State. But before he becomes a member of the State, he is a member of the family. Besides, family, by the virtue of *nature* and *time*, is prior to the State; and it is the family, not the State, who brought him into being. Hence, the family or rather the parents have rights and duties of educating their children, and such rights are prior, superior and independent from the State. As a matter of fact, before men ever thought of setting up a State, there were children and parents. Further, was not the very purpose of the State to assist families and individuals in achieving the end which they could not achieve or could achieve only imperfectly? Therefore, only when families and individuals are not able to afford the education of their children, the State must assist them or take the place of the parents in so far as that is necessary and no more. All the same, the parental authority can never be usurped by the State.

Strictly speaking, the child takes its place in civil society, not, so to say, by its own right, but as the member of the family where it was born. And this is precisely why "the child belongs to the father, and is under the power and care of its parents before it attains the use of free will".<sup>1</sup> "Socialists, therefore, who set aside the parents and introduce the providence of the State, act against natural justice, and threaten the very existence of family life".<sup>2</sup>

With regard to the obligation of parents in the matter of education the Code of Canon Law lays down the following: "Parents are under the gravest kind of obligation to provide to the best of their ability for the religious and moral, as well as the physical and civil education of their children, and also for their temporal well-being".<sup>3</sup>

In his "*Divini Illius*", Pius XI says: "The family holds directly from the Creator the mission, and hence the right, to educate the offspring a right inalienable because inseparably joined to the strict obligation, a right anterior to any whatever of civil society and of the State, and therefore, inviolable on the part of any power on earth".<sup>4</sup>

<sup>1</sup> St Thomas, *Summa*, II-II, q. 10, a. 12.

<sup>2</sup> Leo XIII, *Rerum Novarum*.

<sup>3</sup> *Canon Law*, c. 1113.

<sup>4</sup> *Encycl., Divini Illius*, p. 45.



From what has been said it does not follow that the parents are obliged to undertake the task of educating their children personally; but they must have it done, either personally or by their substitutes.

The home is the most natural and most important educational institute of the child in its early age: it is more important than private institutions and boarding-schools. But as children grow, they are in need of proper schooling; then the parents have the right to determine the manner and the place in which their children are to be educated. This right is absolute, subject only to God's law. Parents must be free to choose the schools and teachers, where and by whom education should be imparted to their children.

**39. Family and State in Education.** In our days there is a dangerous tendency not to recognize family as a natural society, and not to respect the natural rights of the family. Hence, the tendency to extend the State's influence over the education of children, thus restricting the natural right of the parents.

Totalitarianism and State Absolutism was a theory held in ancient times by Plato; and it has been revived in modern times by Hegel, who holds the view that individuals, as well as families, are to be entirely subordinated to the State authority, and that, therefore, education should be under the complete control of the State. Such are also the principles of Bolshevism, Nazism and Facism. This tendency seems to be an almost necessary implication of any Godless system of Philosophy. For "those who see no God behind the State are driven by a kind of spiritual necessity to exalt the State into a god and assert that in every case the will of the community has the right to override that of the single person".<sup>1</sup>

The so-called "Liberal Governments", following the theories of Rousseau and Hobbes, maintain that education is a public function, and consequently should be subordinated to Civil Authority. Their argument is that the child is a citizen of the State, and that his formation as a citizen is the function of the State. They add: Education has an intimate bearing on the temporal prosperity of the State, and so the State has to look after it.<sup>2</sup>

<sup>1</sup> Rev. R. E. Thomson, *Divine Order in Human Society*, p. 128.

<sup>2</sup> The modern world with its shibboleths of democracy, has confused extension of education with the deepening of its effect. "By spreading it thin" as Mgr. Fulton Sheen has said, "it has sacrificed its depth". In fact the whole civilized world is really confronted with the single question: "To whom do you belong?" The full answer is in Catholic education and it is



In this connection it will be good to know what precisely is the position of the State as regards education. It cannot be denied that the State has something to do with education; but all its rights and duties are of *secondary* and *supplementary* nature. In fact the family is an imperfect society and has not in itself all the means necessary for its development: hence the State, which is intended to promote the common good of the families and individuals, should supplement what families lack. That is to say, if the parents are unable to provide for the education of the children, the State should supplement the efforts of the parents, making good their deficiency. In this connection we read in the Encyclical "*Divini Illius*": "The function, therefore, of Civil Authority residing in the State is twofold—to protect and to foster—but by no means to absorb the family and the individual, or substitute itself for them. Accordingly in the matter of education, it is the right, or to speak more correctly, it is the *duty* of the State to protect in its legislation, the prior rights, already described, of the family as regards the Christian Education of its off-spring, and consequently also to respect the supernatural rights of the Church in this same realm of Christian education".<sup>1</sup>

The following seem to be some of the reasons justifying the State intervention in education: (1) The Government Schools have to be an assistance to the family, when circumstances prevent parents from educating their children.

(2) The State has to protect the natural and prior rights of the family and of the child against any unlawful interference.

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not complete anywhere else. Mgr. Sheen has put it brilliantly: "Neglect conscience, and the majority makes right; neglect the absoluteness of Divine Truths which religion teaches, and you enthrone Power as the only criterion of right and wrong. Neglect the training of Freedom, as liberty within the law as religion teaches, and you enthrone first a liberty without law which is anarchy, and then by reaction a law without liberty which is Totalitarianism. Neglect the principle that evil is rooted in a perverse will, which religion teaches, and you train the intellect to the neglect of the will and thus end in a system where reason is used to support the passions. Neglect the principle that the progress of man is conditioned upon the progressive diminution of original sin and you create a fatalistic belief in progress which is unable to stand either the shock of depression or the bloodshed of war. Neglect the ideal that man was made for happiness as religion teaches, and exalt the idea that man was made to make money, and you build a race of profiteers." (*Philosophies at War*, page 101).

<sup>1</sup> Encyclical, *Divini Illius*, p. 45.



(3) The State can exact and even take measures to secure for the citizens that knowledge of civic and political duties that are essential and needed for the common good.

(4) In promoting education the State should respect the rights of the Church and family concerning Christian education and not usurp or unjustly interfere with them.<sup>1</sup>

(5) The State should help private efforts. The more so in a country like India, where elementary education is still undeveloped and private initiative cannot cope with the magnitude of the task.<sup>2</sup>

40. **Private and State Schools.** Since the duty of the State as regards the education consists in supplementing private initiatives when they are lacking, it logically follows that the State has the right to open schools of its own. Here an important question may arise. Will the State schools enjoy a better and more privileged position than the private schools? Will they have special advantages over other schools? Distributive justice demands that grants which come from public collections be equally divided indiscriminately among the various institutions, according to the importance and number of pupils. Otherwise there will be great injustice done to those who conduct private schools; in that case they will be obliged to pay twice for the education of their children.

Since all citizens pay taxes, a proportional grant should be made to all private schools. All the same, the State has the right of inspecting private schools when State grant is given. Hence Government can insist on putting up proper buildings, on demanding certain qualifications in the teachers, on the proper use of the public money; but it cannot interfere with the internal management of private schools, like appointments of teachers, unless legitimate laws of the country are broken or disregarded by the managers.<sup>3</sup>

<sup>1</sup> Cfr. A. S. Osgniach, *The Christian State*, Part. III, chap. X.

<sup>2</sup> The percentage of literacy in India is not more than 13 per cent as yet, while in advanced countries it is above 95 per cent. One of the greatest needs probably of the people in India is education, specially as a means for raising the standard of life. Very likely Indian farmers could, without the expenditure of any extra energy, make a hundred per cent increased profit, if they would cultivate their lands according to those more enlightened methods which progressive farmers adopt in other countries.

<sup>3</sup> The duties of the State in relation to Catholic schools are shortly outlined in the following passage from the Pastoral Letter of the Bishops of Travancore and Cochin, of July 1943: "The freedom of the Catholic Church to



41. **The State Monopoly of Education.** At present there is a strong tendency, not only to maintain public schools in which purely secular education is given, but also to monopolize the educational functions, and absorb the rights and responsibilities that belong to parents and home.

Among the monopolies of the State the most unjust and the most dangerous is that of education. The political and economic monopoly affect the purse and political rights, but that of education affects the very soul of man. There is something so intimate and personal about education that anything calculated to monopolize it, amounts to curtailing what is most precious in man to man, namely, the liberty of thought and conscience.

In view of the general tendency to nationalize education, it is gratifying to note that the rights of parents to educate their children are recognized by English Common Law, and by the decision of the Supreme Court of United States of America which reads: "The fundamental theory of liberty, upon which all governments in this Union repose, excludes any general power of the State to standardise its children by forcing them to accept instruction from public teachers only. The child is not a mere creature of the State; those who nurture him and direct his destiny have the right coupled with the high duty to recognize and prepare him for additional duties".

This question could be considered from the standpoint of progress and culture, and certainly State monopoly is not the most expedient for it. Experience teaches us that State institutions usually are vitiated by a dead uniformity which kills individual initiative. Such institutions turn out standard citizens, as a factory turns out standardised screws. At first, indeed, State monopoly may result in some real or apparent gain; but in the long run it restricts the growth

conduct education according with Christian principles and ideals is an undeniable right, and the State ought to respect it. And in view of the great benefit society has been deriving as is evidenced by the splendid work of Catholic institutions in this land, and because of the great help they are to the Governments concerned, the latter must generously help our institutions from public funds. Such help given from public coffers to which Catholics themselves contribute in no small measure, and the money set apart from which for education goes not only for the benefit of the Catholic children, but, by far to a greater extent, for the benefit of non-Catholic children, should not be considered a reason for unnecessary interference from the Government and for thereby thwarting in effect the good work done by private educational agencies."

<sup>1</sup> Cfr. G. Clune, *Christian Social Organization*, Chap. xiv.



of new ideas, hampers individual initiative, discourages experiments, and imposes upon society a crippling uniformity which provoke bitter conflicts between contending ideas of life and duty.

State monopoly in education is sure to bring the following sad results: (a) The disappearance of sound educational freedom; (b) the establishment of bureaucratic control in our schools; (c) the end of private initiative in education department; (d) the introduction of politics in schools; (e) the increased expenditure with little or no increase of efficiency in education; (f) the multiplication of posts and office-holders in the school system. Arbitrary rules and personal policies would rule the whole department to the great detriment of individuals, families and the nation.<sup>1</sup>

42. **Neutral Schools and the State.** Man is composed of mortal body and immortal soul: hence religious education is the most essential and most important one for him. The most transcendental truths man has to learn are those connected with his last end and the means to obtain it. Therefore the so-called *neutral schools*, where no mention of God or religion is made, are really *atheistic schools*.

When it is question of a Catholic State, it should not even tolerate neutral schools, for in the long run those schools become centres of irreligion. "The so-called *neutral* or *lay schools*", says Pius XI, "from which religion is excluded, are contrary to the fundamental principles of education. We renew and confirm the declaration of Pius IX and Leo XIII, as well as the Sacred Canons in which frequenting of non-Catholic schools, whether neutral or mixed—those namely which are open to Catholics and non-Catholics alike—is forbidden for Catholic children, and can be at most tolerated with the approval of the Ordinary alone, and under determined circumstances of place and time, and with special precautions".<sup>2</sup>

The application of the Encyclical to schools in India is the concern of the local Bishops who, according to the particular circumstances of the locality, will give directions to the faithful as to the schools their children are allowed to attend.

In a country like India where there are many religious beliefs, the attitude of the State regarding religious instruction has to be very complicated. In such States Catholics cannot expect their religion to be taught in public schools; and consequently, Catholics in such States should stand for neutral schools, in order to avoid the greater evil of their children being perverted

<sup>1</sup> Cfr. *A Catechism of Catholic Education*, p. 68.

<sup>2</sup> *Encycl. Divini Illius*, p. 63.



with teachings opposed to their faith. In such cases parents must supply the religious instruction, whether at home or in some private schools. The Pope's Encyclical dealing with this point says: "In other countries of mixed creeds things are otherwise, and a heavy burden weighs upon Catholics, who under the guidance of their Bishops and with the indefatigable co-operation of their clergy, secular and regular, support Catholic schools for their children entirely at their own expense".<sup>1</sup>

In India where State schools are attended by children belonging to various denominations, the teachers should abstain from touching upon religious questions. It would stand to sound reason if opportunity be given to parents to have their religion to be taught outside school hours, or, better still, in an hour set apart for religious instruction.

In such schools general principles of natural religion and sound philosophy could be imparted without any reference to the doctrines of positive religions.

43. **Constitution of India.** Catholics of India may feel grateful that the Constitution agrees in general terms with what their Religion and the natural law of reason require. First of all the denominational schools will have the financial help out of the common public funds, as it follows from the following passage: "The State shall not, in granting aid to educational institutions, discriminate against any educational institution on the ground that it is under management of a minority, whether based on religion or community, or language".

The question of Religious education is settled in the Draft Constitution which says that in providing instruction in the State Schools, no religious instruction should be compulsory. The Draft says: "No religious instruction shall be provided by the State in any educational institution wholly maintained out of State funds." In a country where there are so many religions this is the only reasonable solution.

But in private schools which are helped out of public funds the State cannot forbid religious education. This right the Draft Constitution recognizes as one of the fundamental rights. "Any section of the citizens in the territory of India or any part thereof having a distinct language, script and culture of its own shall have the right to conserve the same";<sup>2</sup> and what culture can be more distinct than that represented by a complete religion?

The Draft allows religious instruction in private educational institutions, but lays down a restriction:

<sup>1</sup> Encycl. *Divini Illius*, p. 64.

<sup>2</sup> Section 23.



Nothing in this article shall prevent any community or denomination from providing religious instruction for pupils of that community or denomination in an educational institution outside its working hours.

From this clause we may infer that:

(1) Religious instruction may be given in all schools and colleges, public no less than private, since no restriction is implied in "an educational institution".

(2) This instruction may be given in the school building or premises.

(3) This instruction shall not be given within working hours.

Thanks to the Constituent Assembly our written Constitution bids fair to be a document with which all communities and parties may be reasonably satisfied. It remains for living men and women to work it out in the same spirit."

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## CHAPTER III

## THE STATE OR CIVIL SOCIETY

44. In this chapter we shall discuss the great social institution called "Civil Society" or "State", including within itself all other social groups that come under its authority. The State is the union not merely of many persons, but of social groups, specially of families; because strictly speaking, "it is not immediately of themselves that men join the civil society, but they are incorporated in it through the domestic society in which they are born".<sup>1</sup>

45. **Meaning of the State.** The State is "a perfect society consisting of many families and social groups united under a recognized authority to promote the welfare of its members."

The term "State" generally expresses two distinct ideas. It may indicate an organized and independent society, like Portugal, France, and so on; or may denote the governmental functions of a State's authority. In our definition we take State in the first meaning.

To understand the definition accurately we must analyse the meaning of its different terms:

(a) When in the definition is stated that the State is a *perfect society*, it is not meant that it has no imperfection, or that it is self-sufficient in the sense that it is capable of producing all the goods and other materials it needs. No, the word 'perfection' conveys the idea that the State is capable of attaining its end without subjecting itself to any other temporal power. It depends on and is only subject to God. It has, however, relations of interdependence with other States and the Church.

(b) Men and families constitute the *material* element of the State, and form fatal organism.

(c) The *formal* element of the State is authority, namely, that moral power which compels and directs the material elements towards the attainment of the common well-being. This authority is supreme and independent in its specific functions: hence it distinguishes itself from a town, family or any other social organization within the State.

(d) Finally, since the social authority exists for the *common welfare* of its subjects, the idea of a *common end* should constitute the collective consciousness of both the ruler and the ruled, and the temporal good of society should strictly be in line with its ultimate end.

<sup>1</sup> Leo XIII, Encycl. *Rerum Novarum*.



46. **Division.** For a better understanding of the real nature of the State, we shall examine it in its four philosophical elements or causes. The whole chapter is divided into the following articles: (1) Origin of the State—*efficient cause*; (2) Social groups of the State—*material cause*; (3) End of the State—*final cause*; (4) The authority in the State—*formal cause*; (5) Forms of Government; (6) Different conceptions of authority; (7) Functions of the Government; (8) Obedience to State's authority.

## ARTICLE I

### ORIGIN OF THE STATE

47. The origin of the State is a vital and important question. For upon the solution of this problem depends the idea of the end and the functions of the State. If it is held that the State owes its origin to *social contract* or to *Natural Evolution*: then, either the individual becomes supreme (Individualism), or the State becomes superior (Absolutism or Totalitarianism). These two theories, though starting from opposite principles, yet arrive at the same wrong conclusions of man's emancipation from his Creator and his submission to the will of the majority, thus ignoring or denying individual rights. Hence a critical examination of the various non-Christian philosophies of the State will help us to establish the traditional solution, which is based on the doctrine of man's creation by God.

When we deal with the origin of the State we are not concerned with the genesis of a particular State. We like to know why men live in civil society at all; what the ultimate reason is that accounts for the existence of civil society as such. The question, therefore, is not precisely about the "historical" origin, but about the philosophical or efficient cause of civil society.

48. **Various Theories.** The main theories may be said to be three, namely: (1) Theory of *Social Contract* held by Thomas Hobbes (1588-1679) and J. J. Rousseau (1712-1778), which holds that the whole social order is based on the free consent of men.

(2) The theory of *Naturalistic Evolution* originated by Hegel and Spencer, who maintained that civil society is the outcome or the last stage of the necessary evolution of nature, leading to the conception of the organic *naturalistic society*.

(3) The third theory holds that God created man with essential social inclinations: thus society is the outcome of man's natural ten-



dencies and man's natural needs. This theory of the *natural origin* of society explains the moral organic constitution of the State.<sup>1</sup>

### A. The Contract Theory

49. **Historic precedents.** Vestiges of Social Contract may be found in the works of some writers of pagan antiquity. As a matter of fact, Cicero and Horace speak of the primitive condition of mankind, when men were leading a wild and errant life, being led, rather by instinct than by reason, and living on the spontaneous products of nature. Epicurus teaches that natural law is nothing but the contract made by men not to harm one another and protect themselves against irrational beings.

The Protestant principle of private and free individual interpretation gave great support to the theory of Social Contract, making the popular will the sovereign arbiter of everything.

The chief exponents of the Social Contract are T. Hobbes in England and J. J. Rousseau in France.

50. **Thomas Hobbes.** This English philosopher declared that society is not a natural but an *artificial* institution. For him man is naturally *anti-social*: the primitive state of man was a sort of sylvan existence in which each individual was ruled by unlimited egoism and by a desire to avoid sickness and death, being in continuous warfare. He said, man was a wolf to man: "*Homo homini lupus.*" Men have no pleasure, but, on the contrary, a great deal of grief in keeping company where there is no power to overawe them all . . . Hereby it is manifest that during the time that men live without a power to keep them all in awe, they are in that condition which is called war, and such a war as is of every man".<sup>2</sup>

Finding, however, that life was intolerable under such conditions, and prompted by egoism and self-interest, men resorted to a social pact with other men for the establishment of reciprocal tolerance and peace. This was effected by surrendering the rights of the individuals to the community.

The same impulse of egoism that forced men to social contract, forced upon them the idea that power and authority were necessary for the fulfilment of the terms of the contract. Hence men agreed to invest some one with power and authority to rule: thus we find persons commissioned to look after the terms of the contract, and their authority is the expression of the collective will of the people. That is the reason why his power is *absolute* and *without limits*.

<sup>1</sup> Cfr. P. Marcellus a Puero Jesu, *Philosophia Moralis et Socialis*, Sociologia, q. II, art. II, and J. M. Llovera, *Sociologia Christiana*, chap. I, whom we follow in the explanation of this question.

<sup>2</sup> T. Hobbes, *Leviathan*, chap. xxii.



Such, according to Hobbes, has been the origin of the Social State. Before the social contract there was no idea of just and unjust, for every man possessed absolute rights over all things; consequently there was no place for good or evil actions. All rights, duties, either social or civil, as well as distinction between right and wrong came into existence with the social pact, which in its turn is nothing else than the collective conscience of the people. But since individuals surrendered all their rights to the authority and the authority is the embodiment of all individual rights, it naturally follows that the monarch or those in authority cannot be deposed by any one.

No theory of monarch-absolutism could be more complete than that of Hobbes. In his theory, the right to depose the monarch and to resist him is in contradiction with the very nature and purpose of the contract.

Hobbes was an enthusiastic supporter of the Stuarts, and perhaps this influenced him to admit a theory where the absolute power of the monarchs was proclaimed.

51. **J. J. Rousseau.** While the starting point for Hobbes was that man was naturally *antisocial*, that of Rousseau was that man was naturally *extrasocial*.

Rousseau holds that the primitive man, so long as he led an individualistic *non-social* life, was innocent and good, happy and independent. "I behold him," says Rousseau, "appeasing his hunger under the oak, slaking his thirst in the first brook, finding a bed at the foot of the same tree that furnished him his repast, and there you have all his cravings satisfied".<sup>1</sup>

This felicitous condition, however, owing to social inequalities, gradually gave way to perpetual strife between those who possessed more and those who possessed less: hence men agreed to live in society with an authority to guide or rule them. For this purpose the individuals surrendered their *particular rights* and *free will* in favour of the *general will*, expressed by the majority. This general will (authority) as long as it represents majority, is always *indefectible* and *constantly right*.

Rousseau's theory of Social Contract was soon accepted by many in Europe, especially in France, and helped to produce disastrous results in the 18th and 19th Centuries. The French Revolution with its frightful deeds of terror was nothing but the outcome of the blind application of the principles taught by Rousseau. It was the bloody vindication of the rights of the sovereign people who, in the light of

<sup>1</sup> *Discourse sur l'origine etc.*, Part I, chap. 23.

<sup>2</sup> Voltaire himself in this connection wrote to Rousseau: "Never has been used so much wit to turn men into beasts. After reading your book one is inclined to walk four-footed."



this theory, are the source of all social laws. Majority rule may be allowed in mere political and economic matters, but it is unjustifiable in morals.

### B. Criticism of the Contract Theory

52. We shall deal here mainly with Social Contract as explained by Rousseau, since its consequences are fatal to individuals, families and society. This theory is *gratuitous*, *contradicting itself*, and *disastrous in its effects*.

(a) *Gratuitous*. That the theory is a gratuitous hypothesis is evident from the fact that no real historical proofs have ever been brought in its support. The very sponsors of the theory, while admitting that no historical facts are available, assert that Social Contract must be accepted because it is the only possible explanation of the origin of Civil Society.

If we look at the present day primitive peoples, we shall find that they do not indulge in a constant warfare with one another, as stated by Hobbes; nor do they lead a wild life, as described by Rousseau. Besides, if the State was the outcome of a contract of the citizens, then it could disappear; but we find that some kind of social form has always existed. This shows that the Social Contract has not created the State. Experience and philosophy teach us that whatever is accidental and phenomenal in things disappears, but what is essential and specific persists.

(b) *Contradictory*. Social Contract is contradictory in itself. To hold on the one hand, that every man gives up his natural rights and independence in favour of the *general will*, and to assert on the other hand that each individual by so doing remains in full use of his *inalienable* rights, is a sheer contradiction. One fails to understand how the human rights, supposed to be inherent and inalienable to human nature, are restricted and irrevocably surrendered to the general will.

(c) *Disastrous in its effects*. According to this theory the whole social power emanates from the people, and is expressed or represented in the rulers, who can be called the mere depositaries of the power of the people: hence the power of the ruler is subject to the will and the pleasure of the people; and the people, without any special reason, may depose the rulers whenever they like. This means that *anarchy* is always at the door.



At the same time the Social Contract requires that each individual should give up all his rights to the community. This makes the community or the State the source and depositary of every right of which the individuals are deprived. "The State", says Rousseau, "should decide who will be imprisoned or condemned to death." This means *organized tyranny*.

**Corollaries.** The natural consequences of the above theory are:

(a) That the State is the only source of all social rights even the right of property which they say, emanates from the State.

(b) That the right of education belongs exclusively to the State.

(c) That the citizens are in duty bound to embrace the creed and cult established by the State.

### C. Theory of Evolution

53. The Theory of Evolution is radically opposed to that of Social Contract, because it holds that society is the last and the necessary stage of evolution through which all material and spiritual substances pass. In this theory, therefore, civil society and other social institutions are not products of the free human will, but the necessary outcome of the evolution of nature.

There are several schools that bear the name of *Evolutionism*, but we shall mention only the most important ones—*Hegelian* and *Spencerian*.

54. **Hegelian Evolutionism.** The system of Hegel has been called "logical pantheism", since it describes the whole world as the result of the evolution of the absolute *Idea*. Starting from the most abstract of notions, i.e., pure being, Hegel holds that the Absolute develops itself first into various categories of beings; then it externalizes itself, and forms what is called "nature". The Absolute, however, attains its fulness only by the process of evolution or "becoming", the stages of which form the history of the universe.<sup>1</sup>

The great stages of this historical evolution, according to Hegel, have been realized in the *Oriental*, *Greek* and *Latin* civilizations. But the greatest and most perfect manifestation of this we find now-a-days in the last stage, the *German Civilization*. Hence Hegel's pronouncement that the German nation will dominate all other nations with the irresistible power of her culture.<sup>2</sup>

<sup>1</sup> Cfr. Klinke, S.J., *Institutiones Philosophiae*, Vol. II, pp. 56-57.

<sup>2</sup> It is a well-known fact that German nationalism has drawn a great deal of its inspiration from this philosophy of Hegel.



55. **Herbert Spencer.** This English philosopher took Hegel's abstract principle of evolution and the Darwinian positive evolutionism, and applied them to the concrete material world, holding that all things, including man, evolved out of lower material forms through ceaseless transformations. Hence for Spencer civil society is nothing else but a huge *organism* which came into existence from imperfect matter through many transformations.

The main tenets of the Spencerian school can be thus expressed:

(1) The evolution starts not from the universal *spirit*, as admitted by Hegel, but from matter.

(2) In the evolution of the matter there are three stages: *In-organic*, *organic* and *super-organic* or *social*. To the first stage belongs the formation of the planets, the earth among them. To the second belongs the vegetable and animal life, including man. To the third belongs the social life.

(3) Between the organic and the super-organic evolution there is not a clear and marked line; the second is originated from the first by infinitesimal degrees.

#### D. Criticism of the Theory of Evolution

56. The theory of *Evolution* may be considered as an action against the doctrines of Social Contract, and has in its favour that it admits something of natural and spontaneous element in the formation of society. Yet it has its many draw-backs. *It is only partially true; it is based on false principles and leads to false consequences.*

(1) *Only partially true.* In society as well as in men the permanent laws of nature play an important role: hence the evolutionists are right when they assert, against the advocates of Social Contract, that certain facts, such as the institution of the family and the private property have their origin in nature. But we should be on our guard against evolutionists, and uphold *free will* as one of the immediate elements in the formation of particular societies.

As just as the advocates of the Social Contract err by doing away with the natural impulse, the evolutionists err by denying *free will*, which is an indispensable element for the formation of social life.

(2) *Based on false principles.* Besides, the system of evolution is based on false principles, i.e., in Hegelian Pantheism and Spencerian Evolution.

Pantheism of Hegel admits the identity of all things in the Absolute Being which is continually being evolved (*becoming*). This denies



all distinction between God and nature, and therefore it implies the total negation of a personal God.

Spencerian evolution maintains the transformation of imperfect material forms into superior beings through a gradual unfolding of the latent energies of nature. But this continuous transformation of the forms of nature is a mere hypothesis. They have never proved that any living organism could be originated out of matter, neither can anybody demonstrate that man is born except from man. A. J. Osgniach says: "If Spencer had restricted his theory to physical evolution, there would be no essential contradiction with the Christian viewpoint, even though the physical evolution of man is still but pure hypothesis without any conclusive scientific proof. But Spencer extended evolution to man's intellectual faculties. In other words, he holds that originally man was just like the brute animals in every respect, and only by the slow and gradual progress of evolution did he develop from sub-human to human level. For Spencer man is identical with the brute animals in kind and different only in degree. Such a contention is utterly fallacious and entirely contradictory of all established proof. Prehistory of the remotest ages has discovered bright traces of culture, art and progress. Anthropology has absolutely no evidence of a prehistoric subhuman. There are physical but no intellectual differences between the earliest human fossil and modern man".<sup>1</sup>

It is equally gratuitous to assert that the social organism is the last stage of evolution. Society is not a physical but moral unity. As the universe is not an animal, so society is not a man, not even a conglomerate of men. To speak of society as an organism may be useful analogy and nothing more. An organism possesses substantial unity. Its members can in no sense be independent of the whole body. They exist in it and for it, and are subordinated to each other so as to minister to the welfare of the whole organism.<sup>2</sup>

<sup>1</sup> A. J. Osgniach, *The Christian State*, Chap. I.

<sup>2</sup> Mr. Arnold Lunn published two articles in "The Sign", 1934, under the caption "Is Evolution True?" He quotes many scientists, most of whom are convinced evolutionists, on the weakness of the evolutionary position. Among others he cites Yves Delage (1854-1929) a noted French zoologist, who admitted that his belief in Evolution was founded rather on personal philosophical opinion than upon natural history, and wrote: "If one takes one's stand upon the exclusive ground of the facts, it must be acknowledged that the formation of one species from another species has not been demonstrated at all." Mr. Lunn does not hesitate to sum up his scholarly investigation in these bold terms: "There is no direct and no contemporary and no historic



(3) *Leads to false consequences.* From the principles laid down by Hegelian pantheism and the positivistic evolutionism of Darwin and Spencer necessarily follow *Political Absolutism* and *Marxian Socialism*. In the view of these systems the State is the head of the whole social organism in its last stage of evolution, and individuals are entirely subordinated to the State as the organs are subordinated to the whole in living creatures. Hence follows the complete surrender of the rights of individuals to the central power which becomes *absolute* and, as such, can suppress all social institutions, family, associations, etc., property not excluded.<sup>1</sup>

### E. Theory of Natural Origin of the State.

57. This theory holds that civil society is not an artificial and free institution, but a natural one, by which man enters freely into a particular society according to his choice. We, therefore, hold that Civil Society has a natural origin: "*Homines in civili societate vivere natura jubet, seu verius auctor naturae, Deus*" (Encyclical *Diuturnum*).

An analytic examination of human nature will show that man has certain natural tendencies to obtain his *physical, intellectual* and *moral* perfection. Now experience teaches that only in social life man is able to obtain the natural development of his faculties: consequently, society is a *natural state* for man. Aristotle was certainly more wise than Rousseau, when he said: "Man is a political and social animal." And since God is the creator of man and has implanted in him his inclinations, civil society has a *natural* and *divine origin*.

That man cannot fully attain his natural development outside society becomes clear when we analyse one by one his *material, moral* and *intellectual* needs.

(a) *Material needs.* St. Thomas said long ago: "Other animals nature provided with food, with toughness of skin, means of defence such as teeth, horns, claws or at least fleetness in flight. But man is

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evidence for evolution." But the most notable thing about Mr. Lunn's study is its disclosure of the shameful fact that the evolutionists, taken generally, are not playing fair with the public in their studies and discussions. He quotes Mr. Dewar, famous contemporary scientist who has suffered from the practice here condemned: "Those who do not accept this creed (Evolutionism) are deemed unfit to hold scientific offices; their articles are rejected by newspapers or journals; their contributions are refused by scientific societies, and publishers decline their books, except at their author's expense. Thus the independents today are pretty effectually muzzled."

<sup>1</sup> Marxian Socialism is based on the principles of Materialistic Evolution of History, as derived from the evolutionistic doctrine of Hegel.



made with none of these means. In their place he has the power of reasoning by which he can provide for himself all those facilities that are intended for self-protection, but only with the help of others. Hence it is natural for man to live in society. Moreover, in other animals there is the inborn tendency to do those things that are useful, or to avoid those that are harmful to themselves, as a sheep instinctively takes the wolf for its enemy. There are also animals that know by natural inclination the medicinal herbs that are necessary for the preservation of their lives. But man lacks such an instinctive knowledge and has to deduce from the universal principles the knowledge of individual things that are necessary for the preservation of his life. And how is it possible for one man to discover suddenly by his own reasoning and experience all things necessary for life? It is, therefore, becoming to men that they help each other, and that all work together by their reason and experience to discover different things, one in medicine, another in this and a third in that".<sup>1</sup>

(b) *Moral and intellectual needs.* Needless to say that the development of man is not possible without social life. The experiments carried out with children in isolation from all social contacts have evidently proved that man without any social intercourse would lie in mental stupidity and moral degradation. It is in social life that men find suitable environments for their intellectual and moral development: hence the great natural tendency men feel for social life.<sup>2</sup> This is the reason why men associate themselves in a State. While tracing the origin of State, we may say that, first God provided man with certain natural inclinations leading to the formation of family; and a single family being unable to obtain its end by itself, associated itself with other families; and then families formed tribes, and thus different tribes formed States.<sup>3</sup> Such is the testimony of facts and human psychology. It can be said, therefore, that the law of *sociability* is as natural to man as the law of gravitation is to physical bodies. Everywhere and always we find man living in civil society. Its universality and permanence are clear indications that political organization is natural and ordained by God. In the words of Max Muller, "if it

<sup>1</sup> *De Regimine Principum*, lib. I, cap. i.

<sup>2</sup> Cfr. Balmes, *Filosofia Elem.*, Ideologia, cap. XVI.

<sup>3</sup> State consists of a group of families. Family is a natural society, though an imperfect one: both as regards its origin and its special functions, it finds its full justification in human nature. It is based in the powerful tendency of the two sexes, and it is found everywhere, among modern as well as ancient peoples, without distinction of race and culture.



(the word *savage*) means people without a settled form of Government, without laws and without a religion, then, go where you like, you will not find such a race."<sup>1</sup>

Consequently civil society is a *natural institution*, not in the sense that it is produced directly by nature, but in the sense that it conforms to the *natural inclinations* and *exigencies* of the rational nature of man. Therefore, the State cannot be regarded as an artificial, arbitrary or contingent event. Aristotle wisely remarked that man outside civil society would be either a beast or a god.<sup>2</sup> We can, therefore, conclude that society is of divine origin, since God is the creator of man and He has implanted in him the natural impulse for social life.<sup>3</sup>

*Corollary.* Since the State entails an end exacted by the moral order, obedience to laws and to legitimate authority is something intrinsically good. This enables us to understand the value of the supreme sacrifice of life made for the defence and safety of the fatherland.

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<sup>1</sup> *Politicorum* I, 9.

<sup>2</sup> *Nineteenth Century*, January 1885, page 114.

<sup>3</sup> A life shut off from all contact with one's fellows is difficult and beyond the strength of ordinary man. The mere human need for social intercourse gradually brought together even the *hermits* in the early Christian Church.



## ARTICLE II

## MATERIAL ELEMENTS OF THE STATE

58. As said before, families and social groups constitute the material element of the State. No matter how large or small those families and groups may be, they form the State's organism. But the perfection and development of the political society needs certain other groups which are based on some natural tendency or necessity of men. We shall now discuss those social units, such as *Municipalities*, *Social Classes*, *Associations* and *Nationalities*.

## A. Municipal Units

59. **Origin** Whenever several families are found in a locality, a natural tendency compels them to group themselves for economic, cultural and other common purposes. This mutual co-operation enables them to satisfy their common needs which separately they would not be able to do. This is the reason why the origin of municipal units can be ascribed to nature itself. This may also account for the fact that in every country, ancient and modern, municipal units must come first into existence and then the State. In India especially, the classical villages or *panchayats* are noticeable at the very dawn of her history.

60. **Nature** If a family is called the *nucleus* of civil society, a municipal unit can rightly be called a State *in miniature*. A municipal unit, therefore, is a social unit which is formed by the union of a group of families in a small locality pursuing a common end. This social unit may be called a village, commune (*municipium* in latin), and when it is large, Town (*civitas*). The essential characteristics of both however are the same.

Municipal units, being natural groups, should be endowed with a certain amount of self-government in the development of their internal activities. Hence they are often called *self-government* units.<sup>1</sup>

61. **The Rights of Municipalities.** The rights of municipal units include: (1) The right of electing officials, and (2) the right of self-administration.

<sup>1</sup> Local self-government in India, in the sense of a representative council, responsible to a body of electors, is a British creation. The ancient village communities (panchayats) were constituted on a narrow basis of hereditary privilege or caste.—Simon Commission Report, Vol. I, 298.



(1) *The right of electing officials.* Since the members of the municipal councils should be the real representatives of the inhabitants of the municipal areas, they should be elected by the people and not appointed by the Government. Municipal units cannot be considered as more subordinate parts of the Central Government. From this also follows that the Government, as a rule, should not interfere in the internal affairs of the municipalities, unless such an action is justified by extraordinary circumstances.

(2) *The right of self-administration.* This means that the affairs and the goods of a municipality should be administered by the local people, since they know them better than any one else and take more lively interest in their improvement.

Besides, experience teaches that local self-government units are valuable training fields in the art of administration.<sup>1</sup>

62. **The Functions of Municipal Councils.** The main object of municipal councils is to protect the rights of the citizens and to promote their cultural and material prosperity.

In order to protect the rights of the citizens municipalities can organise local police within the municipal area, as well as local courts for settling criminal cases.

For the purpose of promoting culture they can establish schools of diverse categories in accordance with local needs; they can also found museums, libraries, parks, etc.

To promote material prosperity they are empowered to organise sanitation, lighting, roads, water-supply, markets, hospitals, fountains, drains, etc.

To carry on these functions, municipalities must find out adequate funds or means. Since rights and duties are always correlated, they should enjoy the power of levying taxes and of owning lands so as to

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<sup>1</sup> India is a land of villages. As in other countries, they owe their origin to the need of co-operation in undertaking the difficult task of clearing the jungle, cultivating the soil and securing protection against hostile tribes. Earnest efforts have been made to improve the traditional panchayats of India and to create new municipalities all over the country. This system has been considered as one of the best means of improving small localities. But progress has been rather slow. The difficulties to be overcome are the prevalence of illiteracy, the spirit of faction, the poor resources of the village folk, their reluctance to submit to free taxation, etc. Cfr. Simon Commission Report, Vol. I, page 347.



procure the necessary means. Consequently municipalities are given a wide choice in levying taxes.<sup>1</sup>

The taxes levied usually by the local authority may be grouped under four main heads: (a) Taxes on trade, for example, extra duties, terminal taxes, and tolls; (b) taxes on property, such as houses and their sites; (c) taxes on persons, for example, on professions, trades and pilgrims; (d) lastly taxes, fees and licences, such as licences for vehicles, dogs and other animals.<sup>2</sup>

## B. Social Classes and Associations

63. **Origin of Social Classes.** Besides the family and municipality which make up what we call the social units, we find in every organised society the so-called *social classes*. As families are the outcome of man's natural tendency, so social classes are the outcome of natural individual inequalities. Peculiar social aims give origin to division of classes in society; thus in many of the ancient nations and in Europe during the Middle Ages society was divided into *clergy*, *aristocracy* and *ordinary citizens*. These classes were not strictly hereditary, though it was customary that the sons should embrace the profession of their parents.<sup>3</sup> In Christian Europe, however, individuals were not prevented from passing over to another occupation. The

In order that village administration may be more vigorous and effective should have the necessary financial resources which may be obtained by taxes levied as now but supplemented with aids from Provincial Government; such as grants for schools, water supplies, road, etc. A common cry of the villagers is that the whole of the land revenue paid by them is taken by the Provincial Government and that nothing of it comes back to the village in the shape of aids or services and there is some truth in this complaint. To meet the complaint it can be suggested that a certain percentage, say one-fourth of the revenue collected from the village be left with the Panchayat or Municipality.

The local self-government must be kept and encouraged, for its sturdy growth is necessary for the development of the political and economic life of India.

<sup>2</sup> Cfr. Jathar and Beri, *Elements of Indian Economics*, page 188.

<sup>3</sup> No other nation has ever evolved a social organization similar to the Hindu caste system. The first step in the formation of the social system might have been the class distinction, based on different professions. Yet owing to many socio-religious regulations through many centuries, it evolved into a nature-like institution. Thus the caste became rigorously hereditary with a strong religio-philosophical background. Cfr. *A Study of Hinduism* by Fr. Zacharias, O.C.D., p. 100.



great variety of professions and their elasticity accounts partly for the splendour and progress of European Civilization.

By officially abolishing the traditional division of European society in classes and professions (guilds) the French Revolution brought in a crude social individualism, which degenerated into the present hated *capitalism*.

But in whatever way civil society is organized, it cannot stand long without some sort of class distinction, which is a natural corollary to human inequality. Some at least will merely be richer than others. Even in the ultrademocratic United States of America, where no nobility of blood exists, we can easily discern some sort of *aristocracy of the dollar*.

64. **Associations.** It is but natural for men to unite their forces when it is a question of obtaining a common object either in the intellectual or material order. To associate themselves is a necessary means for the promotion of their specific ends. Obviously union is a greater guarantee of success than individual action. Hence there have arisen in all times, but specially in modern times, associations of every description in every department, religious, political, scientific, industrial, commercial, etc. Such associations pursue a legitimate end, and consequently should be considered as moral persons justly enjoying the right to their legitimate activities in the same way as individual persons. Their rights, however, are limited by those of others and by the common welfare, as is the case with individuals. Among the associations the *professional organizations* of producing classes deserve special mention.

65. **Advantages of Professional Associations.** The advantages of these associations are: (a) They fulfil the economic aims of society, especially those of the producing classes, which comprise the greatest and most important section of the State. (b) They protect the freedom and rights of individuals who embrace a particular profession. (c) Through these organizations society acquires its natural development based on Christian ideals.<sup>1</sup>

However, it is said that the present class warfare between the employers and employed who form the producing classes, is opposed not only to the traditions of the nations but also to the very purpose of society.

<sup>1</sup> These groups, in a true sense, are considered by many to be, if not essential to civil society, at least the result of its natural and spontaneous development. Cfr. Encycl. *Quadragesimo anno*.



In the Middle Ages people who were engaged in particular kinds of work—traders, artisans, etc.,—formed organizations of their own called *Guilds*. The committee of *guilds*, together with the urban authorities, regulated the hours of labour, the number of holidays, the rate of wages, etc. These professional associations of the producing classes brought about the following benefits: (a) They protected the professional rights of the members; (b) they framed the laws which served as the foundation of the Christian corporate State, in those days when society was animated by a true Christian spirit.<sup>1</sup>

One of the ideals of the present Christian social reformers is to restore the corporate organizations of the Middle Ages, especially those of the productive classes, readjusting them to the present modified social conditions.<sup>2</sup>

Orderly society demands a social structure built up not on individualistic foundations, but on natural social units, of which the producing associations form an important part. "Order", as the Angelic Doctor defines, "is unity arising from the apt arrangement of a plurality of objects. Hence a true and genuine social order demands variety in the members of society, joined together by a common bond. Such a bond of union is provided, on the one hand by the common effort of employers and employees of one and the same group that join forces to produce goods or give service; on the other hand by the common good which all groups should try to promote, each in its own sphere, with friendly harmony."<sup>3</sup>

### C. Nationality and State

66. **The Nation and State.** These two words are often taken to mean one and the same thing, but in reality they are not the same. State means a political organization with independent government, while by nation we understand a natural unity, which may be under the sway of some other State. "The nations are permanent factors, which remain whether they are given juridical recognition or not; whereas States can change their form and be multiplied and diminished by wars and revolutions with or without justice or the will of the people

<sup>1</sup> In this connection the Encyclical *Immortale Dei* says: *Fuit aliquando tempus cum evangelica doctrina gubernaret civitates . . .*

<sup>2</sup> In the organization of Medieval guilds there were indeed weak points too, such as the danger of vexatious disputes between guilds concerning the demarcation of their work, the liability of the guild degenerating into a monopoly for the benefit of a few masters, etc.

<sup>3</sup> Encycl. *Quadragesimo anno*.



concerned".<sup>1</sup> Often a nation is divided into different States, as it is the case with Ireland. A political unit may also have under it several nations. We have an instance of this in the political organization of India with all the various nations under the same administration.

67. **Nationality.** Ascending the scale of social units of natural formation, it is obvious that when a number of families of the same origin spread out into villages and towns, they form a bigger social organism which usually comes under the name of *Nation*. The word "nation" is derived from the latin *natio* (from *nascor*) and implies a certain *unity of origin* of the people living in a determined territory. But the people in the same territory may be united in many different ways, as by *unity of blood*, *unity of language*, *unity of history and tradition*.

If the people living in a determined territory enjoy all these different kinds of units they have certainly perfect right to call themselves a *Nation*. But such pure nations are very few indeed; and even those nations which glory themselves in the homogeneity of their people, cannot fully prove their purity and perfect unity; for to a greater or lesser extent, all nations are affected by some foreign elements. Thus we speak, for example, of English nation; but we know that England is not free from the traits of the Normans, Danes, etc. The same observation can be made of Italy, where in the Middle Ages settled different people, and where different dialects are spoken; nevertheless, Italy can be called a nation, as properly as England. France is quoted as an example of a homogeneous nation, where we find all the above-mentioned unities realized to a great extent, thus shaping the so widely known typical *Frenchman*, though in France itself we have some small groups, like Bretons and Basques, different in many respects from a genuine Frenchman.<sup>2</sup>

<sup>1</sup> Article "European Unity and the League of Nations" by Christopher Dawson, *Tablet*, 23-12-1939.

<sup>2</sup> Indian Union is a large administrative unit, and is divided into nine Provinces. Provinces are divided into several districts; Districts are again divided into groups called Divisions; and then we have taluques and municipalities.

As to the national question, we have in India a big human family in which the characteristics of real nationality are wanting. There is no unity of blood, as there is not also unity of language; and so India can be called a congeries of peoples, rather than a nation. So the expression "peoples of India" can be fully justified. For only in the sense that inhabitants of Indostan possess some vague *spiritual* and *psychological unity*, we may speak of Indian nation though not with all propriety.



It is very difficult to give an accurate definition of nationality, because there is no agreement among the Sociologists as to the most fundamental element constituting a nation. Some authors think that unity of blood (race) is the only essential element making up a nation; for others the *psychological unity of consciousness* is the most essential factor to form national personality; still others lay more stress on the *unity of language*. Recognising that a nation is made up of many subtle elements, we think that the foundation of a nation is the race from which almost all the other characteristic elements naturally spring.<sup>1</sup>

There are peoples or nations unimportant with regard to their number and the size of their territory, as the Basques and Lithuans, but at the same time possessing a well-marked and vigorous personality.

68. **Principle of Nationalities.** Nationalism, in as much as it is concerned with the right to independence, is a modern phenomenon for which the oppression and the imperialism of powerful States have been mainly responsible. The principle of nationality is generally expressed thus: "Each nationality has a right to constitute a unified sovereign State". This principle, however, has been questioned by many.

Sociologists who respect the integrity of individual rights are generally inclined to favour the principle of nationalities, though not all in the same degree. "This right", says the famous apologist Ferrari in his book *Il Populo*, "seems to be the logical consequence of the Christian idea, which, by recognising the natural rights of the individuals, suggests us to admit the same right for every nation". Cathrein thinks that "nationality by itself gives only the *aptitude* to constitute a political State, or at the most a mere and vague convenience for it; but this convenience alone cannot be a sufficient reason to change the actual organization of the States by force".<sup>2</sup>

If there are differences as regards this question in the purely theoretical order, there are still many more when it is considered practically with all its implications. Nationality is a very complex thing and cannot be taken as an individual person who has clear and well-defined rights. Each case is to be examined on its own merits. Nevertheless we cannot but insist on the point that the rights of national

<sup>1</sup> Cfr. E. Aranzadi, *Nacion Vasca*, page 11.

<sup>2</sup> Cfr. F. Cathrein, *Philosophia Moralis*, page 511, ed: 16.

personalities cannot be disregarded without injury to the laws of nature. For it is the inherent right of every nation to develop its proper personality including language, traditions, culture, etc. Consequently those Governments that, for imperialistic motives, do not allow the necessary amount of freedom or autonomy to smaller and weaker nations, and try to destroy their *national unity*, commit a real crime against social order.

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### ARTICLE III

## THE END OF THE STATE

69. For a perfect understanding of the nature of the State it is necessary to know the end (final cause) of the State since the end determines the activity and organization of things. And in our case it is precisely in view to that end that the State should be organized.

We must first bear in mind that although the State is formed by the grouping of families and other social units, it is more than a mere conglomeration of social groups. It is a perfect society intended not directly for the good of individual families, but for the good of all of them in general.

70. **Purpose of the State.** The individual must secure what he needs for his personal well-being; the father must secure what is necessary for the well-being of the family; the State must supply what individuals and the families cannot do so effectively. The State, therefore, exists for the general and common good of its members. Leo XIII writes to this point: "Man's natural instinct moves him to live in society, for he cannot, if dwelling apart, provide himself nor procure the means of developing his mental and moral faculties. Hence it is divinely ordained that he should have his life—be it



family, social or civil—with his fellow men, among whom alone his several wants can be adequately supplied".<sup>1</sup> Hence the whole purpose of the State is to foster the common good, the good of all as well as the good of each citizen.

**71. Nature of Common Good.** The nature of this common good can be deduced from the goods that are necessary for the perfection of each man and mankind in general. St. Thomas appropriately says: "For a good life two things are essential: Virtue and a sufficiency of material goods. Of these, virtue is the more important, for the happiness and welfare of man on earth consists primarily in living virtuously. Virtue implies both knowledge and moral goodness; hence for a virtuous life mental development is necessary as well as moral development".<sup>2</sup> "A sufficiency of material goods is likewise required for the proper development of man; but these goods are secondary and instrumental, the means to an end which consists in virtuous living".<sup>3</sup> Therefore the State must esteem and protect public morality and good customs which play an important part in the common welfare of man. Besides, a perfect society has to encourage and foster intellectual development and temporal well-being as the necessary complement of man. As St. Thomas says, "because of its ability to provide all things necessary for the temporal happiness and well-being of man, the State is designated as a perfect community. Among all natural societies it holds the highest rank as being the most perfect, subordinate to none other in its own sphere".<sup>4</sup> Hence it is the *duty* and the *right* of the State to organize and regulate conditions in civil society in such a way that all men may be able to attain the purpose of social life.

The State, however, has no right, in normal circumstances, to interfere with the private affairs of an organized social life: for instance, it cannot intrude itself into the sacred precincts of family life. This is a very important point at the present day when intervention into private life is on the increase.

**72. Good of All, or Common Good.** Since the end of civil society consists in the common good, it is but natural that the blessings of social life should be accessible to all men of goodwill living within the State. It is true that it is not the duty of the State to provide the

<sup>1</sup> Encycl. "Immortale Dei".

<sup>2</sup> *In Politicorum*, Lib. III, lect. 7.

<sup>3</sup> St. Thomas, *In Politicorum*, Lib. III, lect. 5.

<sup>4</sup> *Summa Theol.*, I-II, q. 90, a. 2.



citizens directly with the means of temporal prosperity, as is the case with children in a family, but it has to provide such favourable opportunities that the people by their personal initiative may share the advantages of the society. If individuals fail to make proper use of these opportunities, the blame cannot be imputed to the State.

The notion of common good is rather elastic: hence it cannot be determined "a priori". The policy to be followed by the State in pursuing the common welfare of all citizens must necessarily vary according to places and circumstances. The State's authority, while benefiting the whole community, must especially protect the rights of the workers and the poor, and provide for and promote their interests, since they "have no resources of their own to fall back upon, and must chiefly depend upon the assistance of the State".<sup>1</sup>

Accordingly, the State must never act in a partisan spirit which would endanger peace and general welfare. It must follow the principles of *distributive justice*, giving each one according to his merits and the exigencies of common good.<sup>2</sup> It should not discriminate parties, classes or castes merely for partisan spirit. It can grant special privileges to people in need of protection, as in the case of the depressed classes in India, for the sake of common good of the society; for the rest the general good should be the motto of all Government. We shall quote here what Balmes says: 'The idea of common prosperity and common good can be reduced to the following expressions: *maximum possible culture* for greatest possible number of people; *the highest morality* for maximum possible number of people; *maximum material prosperity* for maximum number of people'.<sup>3</sup>

**73. Erroneous Theories** Various are the errors about the end of the State: (1) Individualistic liberals consider non-intervention and social peace as the ultimate end of the State. (2) Absolutist conception of the Hegelian school subordinates everything to the purpose of the Government.

<sup>1</sup> Leo XIII, Encycl. *Rerum Novarum*.

<sup>2</sup> The Soviets proclaim that the end of the State consists in "the economic interest of the proletariat". Thus various categories of persons are deprived of economic and political rights. Among those who lose their political rights are: (a) All those whose income is not proportional to their work; (b) all middlemen, private merchants, commercial agents, etc; (c) all monks and ministers of Religion. (Cfr. Art. 69 of the Constitution of 1925).

<sup>3</sup> *Phil. Elem., Ethica*, N. 172.



(1) *Individualistic liberals* hold that the State should promote common good but without interfering with individuals and other social groups, neither for good nor for bad. They maintain that the State should be satisfied by preserving social order and by protecting the freedom and the rights of the citizens in their mutual dealings.

(2) *Socialists* and *Totalitarian absolutists* hold that all social units, whatever their nature, should be entirely subordinated to the supreme end of the State, so that the will of the supreme authority be the end and the purpose to which all should, without limitations, aim. This theory supposes two things, viz., (a) that the good of individuals is not only secondary but of very little importance, provided the purpose of the State is obtained; and (b) that individuals exist absolutely for the good of the State.

From the above it is clear that there are two extremes to which the State is exposed, namely, *excessive* interference and *insufficient* intervention with human conduct in its relation to the common good.

The State must secure the common good or welfare (against liberals) not only by preserving order, protecting the rights of its citizens from danger within or without but also by actively promoting the private initiative of individuals, families and other social groups. As the Encyclical says, "directing, watching, stimulating, restraining, as circumstances suggest and necessity demands".<sup>1</sup> But at the same time the State should be careful never to absorb or destroy individuals or other social units. States' authority should not supersede nor absorb all other authority, nor set aside the natural and supernatural rights of man.

One great difficulty lies with the State's authority when pursuing the common welfare. It consists in the calculation of how much of individual rights is to be sacrificed for the collective good. The socialistic approach thinks in genuinely collective terms, and sacrifices the individuals excessively for the group. The conservative approach starts from the average man, who is neither a worker nor a manager; he is nothing but a man. It sacrifices the individual rights but without unduly injuring. Therefore, I think, the common welfare must consist in giving the average man the best possible social economic position as individual with necessary restrictions demanded by the good of the community.<sup>2</sup>

**74. Sphere of the State.** The State's sphere of action is limited to the temporal well-being of its subjects. The limits of the State's jurisdiction were made more clear when Jesus Christ established His

<sup>1</sup> Pius XI, Encycl. *Quadragesimo anno*.

<sup>2</sup> Cfr. below, Part II, chap. II, art. VIII.

Church to which He gave His own divine authority to secure the spiritual and eternal welfare of all men. In this respect the State is subject to the authority of the Church. The State which interferes in ecclesiastical matters and opposes or sets aside the authority of the Church, is trespassing its sphere of action; and since it is acting beyond its proper bounds, its authority has no ground. States, therefore, are bound to respect the authority of the Church in carrying out her Divine Mission.

While ancient and modern paganism regards the individual as a mere instrument in the hands of the State, sound philosophy assigns to it its proper place. Still when conflict arises between serving the community as a major collective body or the individuals as minor units, the collective body should have preference over individual units.

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### ARTICLE IV

## STATE'S AUTHORITY

75. After examining the material elements and social units that go to make a State, we shall speak of the force (*formal cause*) which gives it unity and directs the members towards the social end. This formal element is called *authority*, and has been defined as *the moral power inducing the members of society to act in such a way as to pursue the common good of the same*. Authority, besides being the constituent element of society, imparts to the person invested with it the right to command and to govern others, who are in duty bound to obey him. The one in authority is called *superior* while the rest are known as *subjects*. In this article we shall deal with the necessity, origin, and the subject of State's authority.

### A. Necessity of State's Authority

76. It was stated before that human nature demands civil society for its perfection. Now we have to add that authority is necessary to civil society. Indeed no group of men made out of different social



units will ever be able to pursue their common welfare harmoniously for any length of time, without a directing and leading principle which will force individuals to sacrifice their selfish and egotistic tendencies for the common good.<sup>1</sup>

In this connection St. Thomas writes: "As it is natural for man to live in society, it is essential that there be some power to rule the multitude. Where there are many and every one provides only what is useful to himself, people will follow their own ways, unless there be someone to take care of the community and look after the common good, just as it happens in man's body where there is a ruling power (*vis regitiva communis*) which has in view the common good of the members. Having these things in mind, Salomon said: *where there is no Governor, there the people will disperse*".<sup>2</sup>

Thus the civil authority has simultaneously a *unitive*, *directive* and binding character. It is a unitive principle, because it moves men to live in civil society; it is the directive element, because it guides to the common end; it is binding, because it obliges the citizens to obey the legitimate authority.

If the social end of individuals as well as the means were well defined, there would be not so great a need of civil authority. But our daily experience teaches that this is far from being the case. Self-interest, personal differences, ambition, jealousy and other human passions are to be reckoned with. And it is evident that in the absence of authority these evils would not be removed, and the State would not subsist, much less prosper.

## B. Origin of State's Authority

77. **Social Contract Theory and its refutation.** While dealing with the origin of society we stated how untenable was the opinion of Hobbes and Rousseau that State is the outcome of a mere human

<sup>1</sup> Though all Catholic authors maintain that authority is an indispensable element of society, yet they do not agree as to the *degree* of this necessity. Some with Cathrein hold that *authority is not the substantial form of society* and that, consequently, it is not an essential element of it. For them the *union of wills* is the essential element. On the contrary P. Pech, Schiffin, Taparelli and others opine that *authority is the specific element and form of society* and that, therefore, it is of its essence. This opinion supposes that the union of the wills of the members cannot be conceived really constituted without authority uniting the members towards the realization of the common end.

<sup>2</sup> St. Thomas, *De Reg. Princ.*, Lib. I, Chap. I.



convention. It is enough to point out here that this theory would oblige us to admit the following erroneous principles: that the State's authority is the sum total of individual wills given over to some one; and that, consequently, men who have freely conferred their individual rights and authority on that man, could equally and freely withdraw from him those rights and authority. According to this theory, the State's authority is merely human and unstable. No great effort of mind is needed to see that this theory would soon bring in social chaos and anarchy, because the sovereignty freely bestowed on a man by the general will of the people can be easily revoked at the pleasure of the people. But it has been already proved that social authority is necessary and essential for a State; so it must be derived from the very nature of man, and consequently from God, the author of human nature.

We have to note the same thing as to the legislation. Upon what ground does civil law impose an obligation on the subjects? A mere agreement is incapable of explaining this; because the effect would be greater than the cause, since the agreement would be particular while the obligation is general and universal. Besides, an agreement of individuals cannot create and a political authority superior to all of them. Obviously the theory of Social Contract is not convincing.

Rousseau's theory of society is political Protestantism. "Under the terms of the social contract, no right of obedience exists or can exist. If one man in his own name exacts obedience he is a tyrant, for he assumes over other men a power that does not belong to him. If many men or even the majority of men exact obedience in the name of numbers, they are tyrants, for mere numbers give no power except such power as robbers and murderers claim (the power of might). Small wonder that authority is called The Enemy".<sup>1</sup>

78. **State's authority has a Divine Origin.** It has been already stated that social authority does not come from the voluntary convention of men; consequently, as scholastic writers and Catholic sociologists unanimously assert, all authority is from God. Some of the reasons advanced in support of this assertion are:

(1) Civil society is a natural society, because men enter into it following their natural tendencies for the satisfaction of their natural needs. Hence God, who is the author of nature and of these natural tendencies, should be also the founder of civil society. Now, society

<sup>1</sup> John Ireland, *The Church and Modern Society*, p. 16.



cannot exist without authority, because it is its constituent and formal element: it follows, therefore, that authority also must be from God.

(2) It is in the very essence of things that social authority should be a real one; it must possess the power to punish the malefactors even with death itself, if needed. But no man can have power over the life of another, since all men are equal; only God, the Author of life can claim such a power. Hence it must be held that the ultimate source of authority must necessarily be God.

(3) State's authority implies the power of making and enforcing laws that are binding on all. Now laws cannot have such binding power, unless they emanate from that being who is the Creator of all men. Consequently social authority must ultimately come from God.<sup>1</sup>

79. **Remarks:** (1) To say that the State's authority comes from God means simply that God has equipped human beings with the ability and means to meet their natural needs; and as one of the necessary means is the power of directing the actions of individuals to the common good, which is secured by social authority; hence social authority is said to be emanated from God. By this, however, it is not meant that the ruler has been appointed by God or is impeccable. The doctrine that *The king can do wrong* is false and anti-Catholic in its origin. Henry IV, shivering in the snow at Canossa, and Henry VIII, trembling with rage at the Pope's refusal of a divorce, are sufficient examples of what the Catholic Church thinks of the impeccability of Kings.

(2) The divine origin of power far from leading to absolutism, as some have thought, powerfully and effectively checks the tyranny of rulers; for those who are convinced that the supreme authority to command comes from God, are bound to make use of this right within certain limits established by God, namely, within those of justice, and honesty. They know that authority is not conferred on rulers for whimsical purposes but for achieving the common good which can never be obtained by interfering with the basic natural rights of man.

<sup>1</sup> "St. Thomas in his work, *De Regimine Principum*, lib. III, c. 1-3 affirms that all power is derived from God in three ways: as it is a *being*, as it is a *mover* and as it is an end; which all reasons Balmes sums up as follows: "In the first place, all power comes from God; for power exists, and all existence comes from God; power is sovereignty, and God is the Lord, the supreme Master of all things; power is right, and God is found the source of all the right; power is a moral movement, and God is the universal cause of all sorts of movements; power tends towards an exalted end, and God is the end of all the creatures." *European Civilization*, chap. 48.



### C. The Subject of State's Authority

80. Though social authority ultimately comes from God, it has to reside in some physical person, as a king, or in a moral person, as a Committee.

There is a great variety of opinions among Catholic writers as to the way in which a person is elected or constituted in authority, and as to the form of Government he has to choose. It stands to reason that the selection of persons as well as form of Government should be ruled or guided by some principles.

81. **Different Opinions.** (1) According to the opinion attributed to James I of England, to great Bossuet and de Maistre, the king's authority is conferred upon him directly by Almighty God, so that there is no intervention of people in it. Thus the right to govern is conferred upon a ruler by a *special act of the divine will*, just as Saul was empowered by God to rule over Israel. This theory is known as *The Divine Right of Kings*.

(2) Others hold that the first authority naturally resides in the head of the family, who by the expansion of family becomes the head of the clan or of the tribe. To him disputes are referred, and he settles them. It is thus that the head of the family gradually becomes the leader of the society. This is called *Natural-Juridical Theory*.

(3) Finally, Bellarmin, Suarez and many others think that the subject and the form of Government are determined by the *expressed* or *tacit consent* of the multitude upon which, as *in radice*, resides the power to elect the person and to fix the form of authority. This consent of the people needs not be necessarily explicit; an implicit consent will make a person and a Government legitimate. This is the *Theory of consent*.

82. **The Theory of Consent seems reasonable.** Since we do not find in society any particular sign to manifest the divine will to us regarding a particular person or a particular kind of Government, as in the case of Saul, and since it is not determined by nature as in the case of the family, we are inclined to believe that the theory of consent is most reasonable.

Though the opinion that civil authority is the evolution of the parental authority has some appearance of truth from the fact that in many nations parental authority expanded into civil authority, nevertheless, it does not seem to prove to be its efficient cause. Again, this opinion confuses parental and civil society, making civil society a larger family with individuals as its units. This theory favours too



much the individualistic conception of the State. Hence we hold that *the subject and form of authority are determined by the consent of the people* supposing always that the consent is not unreasonable and unjust.

State means moral union between the multitude and rulers. Now, how can there be such a moral union without the consent of the multitude and their ruler? In this supposition, the multitude should consent to accept a particular ruler and form of Government.

True it is that a distinct and explicit agreement between the rulers and the ruled, as regards the subject and the form of government, might not have taken place in ancient as well as in modern times. Nevertheless, the necessity of public order and common good has spontaneously called upon some to exercise supreme authority in order to meet a national emergency, and such incidents of facts were tacitly approved by the people.<sup>1</sup>

It goes without saying that this solution is quite different from the one given by the *Social Contract* theory; because we hold that, though the *election* is from the people, yet the authority is intended by *nature* itself. Hence such an authority cannot be removed by the mere will of the people.<sup>2</sup>

In the light of what we have said it is wrong to place all the authority in the people, as if the rulers were always mere delegates of the *sovereign people*.<sup>3</sup>

Less still the will of the people should be considered as the norm of morality, for the rule of majority may be justified in politics but not in Ethics.

<sup>1</sup> Cfr. Zigliara, *Jus Nat.*, Chap. II, a. 3; and Cathrein *Phil. Mor.*, Part II, c. III, a. 1-3.

<sup>2</sup> Scholastic writers differ as to the way in which powers were communicated to the ruler. Some, as Taparelli, Zigliara and Leo XIII hold that authority is conferred by God immediately upon the person elected by the people to be their ruler. In this case the people, by ballot or some other similar means, determine the person whom they wish to exercise authority and only then authority is conferred upon him by God. The more common opinion, however, seems to be that of Suarez, Victoria, Bellarmine, etc., who say that the entire community is the immediate subject of authority and that God communicates it to the person in authority through the people. Cfr. P. Marcellus, *Philosophia Moralis*, p. 719.

<sup>3</sup> The ruler is the servant of the good of the people, not of the will of the people, except inasmuch as the will of the people is an indication of their good, of which they are probable judges. It is usually impossible to do good to the people against their steady will.

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## ARTICLE V

## FORMS OF GOVERNMENT

Though authority is necessarily demanded in civil society by nature itself, yet it is not the nature that prescribes the kind of Government each nation should adopt. The only thing nature requires is that the Government be so workable as to obtain the end for which the authority is intended.

83. **Monarchy, Aristocracy, Democracy.** There is a great variety of forms of Government. Each nation or country chooses that form of Government that suits its character and genius. We can give here only the classification of the main types. According to Aristotle three are the chief ones: *Monarchy, Aristocracy and Democracy*.<sup>1</sup>

(1) *Monarchy* is the rule of a *single person* in whom the whole authority resides. Monarchy is called *absolute*, when the power of the King is not limited except by the natural and divine positive law. All the same, the King is bound to govern the country *secundum rationem et justitiam*. In limited monarchy the power resides in one person, but it is curtailed by certain institutions and laws of the country. Monarchy may exist with aristocracy (English Monarchy from 1688 to 1830) and with democracy (present constitutional Kings). No form of absolute monarchy exists at present in Europe. All the so-called monarchs are constitutional sovereigns with strictly limited powers; and the regimes in their countries are usually a mixture of all the three forms of government.

(2) *Aristocracy* is the rule of the few selected, be this election done either directly by the people or by the privileged aristocrats. This

<sup>1</sup> *Politicorum*, II, 4.



kind of government prevailed in Venice and Pisa in the Middle Ages.

(3) *Democracy* is the rule of the people by the people. Democracy may be *pure* or *representative*. In pure democracy people directly make the laws, either through ballots or other means, as was the case in Athens for some time. There is scarcely a word which has been so much misused as the word *democracy*. Often the most atrocious anti-social crimes have been justified in its name.<sup>1</sup>

84. **Parliamentary Monarchy.** In modern times one of the systems of limited monarchy is the so-called *Parliamentary Monarchy*. This system is democratic in nature and based on the sovereignty of the people expressed through *universal suffrage*. It presupposes the following elements: (1) Constitution, or the fundamental law of the State; (2) Two houses to make laws: The Lower one consisting of the representatives of the people, and the Upper one made up by the representatives of higher classes; (3) the King, with his ministers, has the executive power. The King is not responsible in the exercise of his power; only the ministers are responsible to both Houses in which the legislative power resides. The prerogative of the sovereign is to convoké Parliament, or prorogue or dissolve it. No Bill can become law without the royal sanction. Yet the King practically acts on the advice of the ministers; and therefore, it can be said that *the King reigns but does not govern*.

The government is supposed to agree with the public opinion. Usually the government is carried on by turning parties. When there is a doubt as to the consent of the people, new elections are to be called.

The roots of the idea are not only religious but Christian. The essence of the Christian doctrine is this: in the eyes of God the individual soul is of such a tremendous value and importance that He is prepared to come down from heaven to take our human nature upon Himself to save and sanctify it. What God has done for the human race He would do just as willingly for one individual soul had that soul been alone upon the earth.

<sup>1</sup> By *democracy* may be understood that form of government in which the mass of the people, in some fixed and regular manner, controls their government, the ultimate power being in the hands of the multitude. Democracy as a social outlook or philosophy gives importance to individuals and their liberty, and believes in equality among men. It tends to value men not by birth or class, but by their individuality. It believes in one law for all.



The tendency towards freedom and equality we find in any Christian civilization is simply a by-product of Christ's teachings.

It was natural that this feeling for the dignity and liberty of the individual soul should sooner or later express itself in the creation of representative political institutions. Other religions have, like Hinduism and Buddhism, tremendous hold on the people and shaped new civilizations; but only Catholic Religion favoured democratic institutions.

The advent of Protestantism with its accent on the individual was destined to divide the European conception of Christianity and democracy in two water-tight compartments. Protestantism rejected the authority of the Church and put the individual in direct contact with God in religious side and on the political side subjected him to the power of the State.

The spirit of democracy has been implicit in Christianity from the very beginning; in the course of centuries it created as a by-product a democratic way of life which in modern times has been crystallized into a system of government.

**85. Are Different Forms of Government Lawful?** Since a Government is set up for the prosperity of the multitude, it follows that that form of government is good and lawful when efficiently achieves this end: and since that end has been obtained through different forms of governments, it naturally follows that in general all the forms may be supposed to be good and lawful, as long as they are ethically workable. As a matter of fact, we know that Athens was successfully ruled under *pure* democracy, and that aristocratic governments prevailed in Venice and in several Italian republics in the Middle Ages. In Europe different kinds of monarchies have stood the test of the revolutions and social upheavals. Therefore, none of the mentioned forms of government is to be considered in general as unlawful.

The doctrine of the Church on this respect is clear: "Whether the precise nature of the constitution be monarchical, aristocratic, or democratic is determined by historical events or by the character of the people. *Any form of Government* is moral and in accordance with nature, provided it is conformable to its institutions to right reason and the natural law".<sup>1</sup> Only that form of government is forbidden and unlawful which is not workable or involves some intrinsic defects such as opposition to justice. This is the case with the communistic system which disregards the natural right of the individuals to private property.<sup>2</sup>

<sup>1</sup> Encycl. *Immortale Dei*, pp. 2-3.

<sup>2</sup> "Political systems should be regarded solely as a means of ameliorating the condition of the people. Catholicity has no dogma on this point, it does



It must be, however, remarked that every form of government may be perverted by man. By such a perversion monarchy passes into *tyranny*, aristocracy into oligarchy, and democracy into *anarchy*.

86. **Which form is to be Preferred?** All forms of government may be workable; so each State should prefer that form which is more in conformity with the character of the people. Different peoples have their own national character, and this character is not a caprice of the people that may be changed at their fancy. It is a reality rooted in the tradition and psychology of each nation; and hence nations should choose that *polity* which conforms better to their ways and legitimate customs. Actually the Japanese people could not probably manage without an Emperor according to their traditions, while North Americans are not likely to elect an absolute monarch to govern them. So the history, character and mentality of the people should be taken into consideration in order to choose the particular form of government.

However, an essential condition for the working of any form of government is the honesty and capability of the rulers. So the goodness of a government depends more on the good qualities of the rulers than on the form itself. To this purpose Aristotle says: "Of the three mentioned forms of government that must be the best which is handled by good rulers. So if we meet with a Pericles, the best thing would be to hand over to him all our affairs".<sup>1</sup>

87. **Representative form of Government.** Among the mixed forms, that have won the favour of the Western countries, is the *representative form*.

By representative form is meant the "Parliamentary system" explained above, which is the combination of the three simple forms: Monarchy (it may be a republic), aristocracy and democracy; and where the representatives of the people are elected by universal suffrage. It is called also Western Democracy in opposition to Marxian Democracy. But can it be said that this representative form has successfully worked in modern countries? Certainly not, because in some countries, like Italy, Spain and Greece it has sometimes failed. In France it has worked under growing difficulties. England has been

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not pronounce upon the advantages of any particular form of government. The Roman Pontiff acknowledges equally as his son the Catholic seated upon the bench of an American Assembly, and the humblest subject of the most powerful monarch. The Catholic religion is too prudent to descend upon any such ground". Balmes, *European Civilization*, Chap. 61.

<sup>1</sup> *Politicorum*, III, 12.



one of the few countries where the representative form has worked fairly well. Yet, because of some failures, it cannot be said that this democratic form of government is bad.<sup>1</sup> The essential democratic principle is that the whole nation retains and exercises responsibility for the acts of its government. To be democratic, a government must in first place be answerable for its actions to its people; they must have ready besides, constitutional means for changing their government, if they are dissatisfied with its conduct of affairs. Among these means are clearly the right to discuss government measures publicly, to criticise them in the press, to organize political parties and for want of other alternative, the use of the ballot box.

Therefore in the book *For Democracy*, published in 1939 by the "Catholic People Freedom Group" democracy is defined as "a political and social system based on the free and organic participation of the whole people for common good."

Democracy supposes in the general body what we call "public spirit", the realization that the conduct of the State concerns the citizens, a sense of co-responsibility, and a readiness to share the burden of the public service. It is evident that this varies according to countries. It is evident too that, until a people reached a certain stage of development, democracy is hardly to be found at all; but it should be the goal towards which every people should tend.

Democracy (is a spirit) a way of life and a form of government. As a way of life it means for all classes a complete equality before the law and an absence of any notable distinction between classes; understood in this way it tends to create an almost classless society. A political form it involves government through elected representatives of the people.

Democracy, like every other human thing, varies greatly with the character of the people who practise it. In England it displays a certain love of the past with its feudal and aristocratic forms; in France it tends to extol bourgeoisie at the expense of both of workers and nobles; in the U.S.A. a lively concern for the common man exists side by side with a deep respect for the power of wealth; while in Australia and New Zealand there is such prejudice against great possessions that it is difficult for a very rich man to serve his country in any elected capacity.

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<sup>1</sup> In England the democratic form has succeeded, firstly because of the phleomatic character of the English people, and secondly because all the parties and the people are united in the national policy of the Empire, in which all are naturally interested.

Besides in Britain, the home of parliamentary democracy, the party system of government is a natural growth from the nation's historical tradition and social experience.



88. **Practical Difficulties.** St. Augustine clearly gives the reason why the working of the democratic representative government proves a failure in many countries: "The popular forms of government are good where the people have such a concern for the public good that each one would prefer the public interest to his own. In case the same people become so corrupt that the citizens prefer their own to the public good, if they sell their votes, if, corrupted by ambitious men, they entrust the government of the State to men as criminal and corrupt as themselves, in such a case, if there be amongst them a man of integrity, he will do well to take from these people the power".<sup>1</sup> So the reason why the democracies fail must be found in the behaviour of the people.

When the voting is not responsible and the contending parties aim at their private interest rather than at the common good, then the rolls are inverted: instead of the representatives of the people we get the representatives of the party. In such a condition it is next to impossible that the democratic system works well, for the party interests hold and direct the power for every purpose, except for the common good; when politics are so deteriorated a dictatorship may be justified, at least, as a temporary measure.

89. **Corporate representation.** Besides the universal individual suffrage (Liberal democracy), there are other ways to form representative governments. One which is quite in conformity with the idea of the Christian democracy is the *corporate* representation. In this system the representatives are elected on the basis of *professional classes*: for the different classes of the State (agriculturists, industrialists, lawyers, physicians, military, etc.) are the expression of the vital interests of the whole country. Every profession, according to its importance, sends the persons elected by the members of the class to the assembly, and so all the interests of the country are more truly represented than by direct universal suffrage. The vote in the corporate system is bound to be more responsible, because the interests of the voters are more closely connected with the election of a worthy man to represent the interests of the class. This system conforms also better with the organic constitution of the State.

Portugal, Italy, Spain, etc., set up their government under a corporate basis, their National Assemblies consisting of the representative of different professional classes. True it is that in these countries

<sup>1</sup> De libero arbitrio, Chap. VI.



the working of the system was connected with dictatorship under strict interference of the State; yet the corporate system can likewise be established in a more democratic way. All the same, it will be always true that weak governments will find it difficult to succeed in organizing the country on a professional basis.

Many Catholic social reformers who believe in *democracy*, still feel instinctive abhorrence towards a corporate system within a more or less totalitarian political frame. In countries like Belgium and Holland, where masses have acquired a great deal of the spirit of co-operation for matters of common good, Catholic leaders favour a corporate system that is the outcome of the voluntary co-operation between different professional classes. In the above countries social reformers do not plead for a legislature with a *corporate representation*; for a popular Parliament of Deputies, elected by universal suffrage, appeals to them better. But they too admit that a National Committee representing the professional classes could advice the government and the legislative in matters of general interest to the country.

In any way, if corporatism is to be successful, it must come from the people themselves; government's initiative should be reduced to indispensable minimum.

90. **Principle of Majority.** One of the principles of Liberal Democracy is the principle of decision by majority. By majority is understood *half plus one* of the members of the assembly. The modern common notion about the rule of majority is that it must always and everywhere and in all matters rule, that a mere bare majority, a majority of one, is enough to determine questions not merely of practical political arrangements, but of right and wrong, of principles and law.<sup>1</sup> This interpretation of the rule of the majority dates from the time of the French Revolution, and it supposes that the people is the source not only of laws but of all morality.

In *medieval assemblies* a *narrow majority* was not decisive, because it was believed that only a definite large majority was considered

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<sup>1</sup> According to the liberal theory, majority means the majority of the voters, even though such majority may be far less than half the adult population. In this theory, whatever the majority does is right: It may decide today that the right to private property be abolished; it may decide tomorrow to do away with all individual freedom.



to be an indisputable indication of the will of the people. A common rule was that the majority had to be two-third majority.<sup>1</sup>

We find a clear-cut differences of view about the power to be allowed to the majority in different sorts of democracies, *Christian, Liberal and Communistic*:

*Christian democracy* admits of restricted power of the majority in the sense that the will of the people is limited by the moral laws.

The *Liberal Democracy* claims that the will of the majority has no restrictions and is "omnipotent" "able to do everything, except to make a man or a woman."

*Communistic democracy* admits the voice of the majority only in so far as is expedient for the establishment of Communism. The moment it gets into power its ideology becomes a *dogma* and none can discuss or attack it. Communism does not recognise the right of the majority when it is question of attacking or changing the Communistic system.

91. **Remarks on Democratic Government.** *Advantages:* (1) Democratic governments, by allowing all the citizens to share in the responsibility of the power, give to the people the pleasure of feeling themselves governed by themselves. Needless to say that very often this satisfaction is illusory. (2) It elevates in no small degree the personal dignity of the ordinary citizens, for all are made equal before the law and all share in the responsibilities of the government. (3) In this system common people can become acquainted with public affairs and are able to take interest in the administration of the country; thus the spirit of citizenship is developed. For these reasons the democratic system appeals so much to the pride of the multitude, that they everywhere blind'y cry for democratic institutions.

<sup>1</sup> The principle of rule by majority was also accepted political parties in India till a few years ago, when certain developments considered as abuses of the majority party made many Indian politicians of minority party doubt about the wisdom of the applicability of this principle of popular government as the best for India.

This principle of rule by majority would be tolerable if the party that is today in minority could become majority to-morrow. Congress party being a political organization with great Hindu influence, would be in permanent majority, because Hindus would be always greater in number. And experience teaches that permanent majorities lead to the abolition of representative government and to the oppression of minorities. That is why Mr. Jinnah, the leader of Muslim League, decided to fight the Central Assembly to be governed by the rule of majority and has envisaged the famous Pakistan as the best substitute of rule by majority for India.



*Disadvantages:* (1) The government by the people supposes in the people certain qualities, such as, personal dignity, sense of citizenship and common good, which are not easily found among all the citizens. (2) Democracy means equal right for every citizen to share in the government. But men are not made like bricks; they are persons with different natural gifts, different knowledge of social affairs, etc.: hence the right of sharing all men equally in the election of the deputies can be questioned. (3) To share in the management of public affairs means not a scanty knowledge of social and economic problems. But people as a whole are not acquainted with these affairs, and so they can easily be misled by unscrupulous politicians. (4) For the working of democracy people are expected to take the public good in all earnestness so that they may be ready to sacrifice everything for the common good. But we do not find in every country such a temperate and self-sacrificing people as to be moved for public good in dealing with political affairs.

92. **Political Principles of Liberal Democracy:** The following are the principles of Liberal Democracy, which prevail in so-called Western Democracies and which require proper interpretation: (1) *Popular sovereignty* expressed by *universal suffrage*; (2) *equality* of every citizen before the law, without any distinction; (3) equality of all religions in the eyes of the law; (4) freedom of speech, of organisation and of the Press.

(1) *Popular sovereignty*, in so far as it ignores God as the source of all authority, is wrong and pernicious; understood in the sense of Bellarmine and Suarez the theory is admissible.

(2) *Universal suffrage*, in so far as it invokes the supremacy of mere numbers, substitute quantity for quality, skulls to brain; understood as an electoral system that seeks to secure the fair representation of all legitimate interests, is a beautiful ideal, but in practice it does not work smoothly, because men are slaves of money, of employers and of the press. Parliaments often times are bound to be corrupted, irresponsible, unreliable. As Marshal Smuts puts it, "the consent of the governed is the only secure and lasting basis of government, and liberty is the condition of consent".

(3) *Equality of every citizen before the law* is a myth. Proportional equality is to be aimed at. As said before, men are not bricks, but persons, with different relations, duties and rights. Even before the law the rights of a father are not the same as those of a son, nor the rights of a soldier the same as those of a general; because their



duties are not the same. The slogan "*no privileges for any one*", is it a fair one? Should not higher education entitle one to certain preferences? Is the law of gratitude to be abolished?

(4) *The freedom of speech, of the press, of association*, if kept in reasonable and just boundaries, is just and desirable. We remember, however, St. Augustine's remark: "Is there any worse death for a soul than liberty to go astray" (Ep. 166). All honest men in our opinion had to deprecate the freedom of action which results into *independent morality*, the freedom of thought which consists in independence with regard to reality, the freedom of speech and writing which is not guided by the truth, and lastly, the freedom of association which has no regard for justice. Therefore, it is not permissible to ask, to defend or to accord indiscriminate liberty of thought, of writing, of teaching, etc., as Liberals do.

### NOTE ON CONSTITUTIONAL PROGRESS IN INDIA

93. Democracy in India, as it is understood now, may be said to be of recent growth, having been introduced and developed by the British Administration. It is the development of the last fifty years.

The Indian Councils Act of 1892 introduced the principle of election for certain number of posts in Provincial Councils. The Minto-Morley Reforms of 1909 form the next important landmark. They raised the status of the Legislative Councils, gave legal recognition to the elective principle, provided for non-official majorities and extended the power of the Councils by giving them power to move and vote on resolutions on matters of general public importance, including the Budget. The Act of 1919 introduced several democratic features in the constitution. The Central Legislature, now made bicameral, was constituted with an elected majority in both the chambers, the Council of State and the Legislative Assembly. The Provincial Legislatures were considerably enlarged; there were also elected majorities in all of them. Above all, the franchise was widened, and an appreciably larger electorate was created. The Act of 1935 is the last important mile-stone in the progress of democracy in India. It transfers all departments of Provincial Government to administration by responsible Ministers. The electorate is enlarged to include about 40 million voters.

India has undergone after the World War II radical political changes. The British Government after sending the Cabinet Mission decided to transfer in 1947 the full power to Indian people. But unfortunately the antagonism of Congress and Muslim League was a great



obstacle as to the way of shaping the political Constitution of India. The focal point of the political conflict was the division of India. At the last moment, the Congress leaders reluctantly consented to the formation of a separate State, Pakistan, as an alternative to the civil war. No wonder that the Independence Day—15th August 1947—was inaugurated with an oppressive sense of frustration. As a consequence of the deeply felt antagonism, ravage scenes of death and desolation took place in the Punjab and the neighbouring Provinces.

In any case India is now an independent State and it has its own Constitution. This Constitution is Federal in character and accordingly Hindu India embraces all autonomous Provinces and all States. So far Hyderabad is the only State outside of the Federation. In the letter the new Constitution safeguards the safety of the minorities, especially religious and we hope that these provisions of the Constitution will be fulfilled in spirit and truth.

The system of executive government both at the Centre and in the constituent Provinces is what is called Responsible Government. At the Centre the Council of Ministers shall be collectively responsible to the House of Commons in the same way as in the Provinces and which minister will be elected from the party in majority in the respective Assemblies. The Governor-General as well as the Provincial Governor will be mere constitutional Heads.

One crucial point is not yet fully settled as to the future of India. Should India remain independent with or out of the Commonwealth? The Congress Party has been committed to independence for the last eighteen years. Even now certain leaders are bent on severing all connections with Britain. But would not India's independence be more real, were she to remain freely associated with the other nations of the Empire on equal footing? The advantages are many: defence, commercial preferences, shipping services, banking facilities, etc. . . . Such advantages have the natural drawbacks, because they may entail the continuation of dependency in those scores. But the advantages seem to outbalance the drawbacks.

We see that educated Indians are both willing and desirous to accept democracy. But desire is not enough. The people should possess certain qualities and certain preparedness to work democratic institutions, since democracy is one of the most difficult forms of Government. It demands much from the common man as well as from the leaders. Certain conditions are necessary for the successful working of the democracy, namely: (1) Fairness of mind and heart; and (2) proper leadership.



(1) The stability and success of democracy depends to a great extent on certain habits of mind that go to create the public spirit, *mores* of society. This supposes the habit of taking an intelligent interest in public affairs, and aiming at healthy independent thought. Besides, tolerance and the subordination of private interest to public good should be everywhere fostered. Respect for individual and human personality must become part of one's nature; this implies not only that the unsocial institution of untouchability must disappear, but also that the unsocial caste customs which restrict social relationships between man and man should go. The truth that all men are equal must be lived on.

These above habits of mind and heart are not yet sufficiently developed among the public at large in India, and whether they will be developed in the near future is not ours to say. Some are of opinion that Western democracy may prove a failure in India.

(2) The working of democracy will depend also much on the leadership the nation can make use of. The responsibilities of leaders are onerous: they have to rouse the citizens to a sense of their common interest and their public duty; they must make out which are in a given period, the best interests of the community and which the best means to achieve them; those interests and means should be presented to the public in a simple, intelligible, and interesting form in order that the common man may understand them and may be gained over. Legislators and ministers are the most prominent leaders, nevertheless all those who can influence and shape public opinion, such as the leading men of the parties, editors of newspapers, public speakers, authors, and teachers also are responsible.

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## ARTICLE VI

## FUNCTIONS OF CIVIL AUTHORITY

94. **Three functions of the authority.** Authority discharges its duties of directing the members of society to their common good by exercising three different functions, known as *legislative*, *judiciary*, and *executive*. This division is attributed to Montesquieu; but we find it in St. Thomas, though expressed in different terms.<sup>1</sup>

As stated before, authority is the moral power that obliges all the members of a society to act in such a way as to obtain the common good. Such power necessarily presupposes:

(1) The faculty of making laws, determining and defining certain rights and duties which shall direct the members to the social end (*Legislative Power*).

(2) The right of judging and deciding in the concrete, by means of law courts the conflicts between the rights and duties of the members of the society (*Judiciary Power*).

(3) The right of executing the social laws and of ensuring the laws in particular cases by means of efficacious sanctions (*Executive Power*).

95. **Legislative Power** The right of making laws is considered to be one of the first and most important prerogatives of authority, because society has to be guided to its end by means of laws.

The legislative power, like every function of the authority, is limited by the natural pre-social rights of individuals, families, municipal units and social classes; in a word, by all rights anterior to the State. In case of conflict of rights, it is the authority that has to settle the matter.

*Laws* are the result of the function of the legislative power. The first condition of law is that it must promote the common good of the citizens. Legislators are not chosen to procure privileges for the select few. They are bound in conscience to serve those with whose interests and welfare they have been entrusted; and this common welfare is promoted only by laws that tend to secure the right ordering of all social and individual conduct to the end of the society. Failing in this, the laws are liable to become arbitrary and tyrannical. St. Thomas says: "The kingdom is not for the king, but the king for the kingdom, because God has provided kings in order that they may

<sup>1</sup> *Sum. Theol.*, II—II, q. 49, a 6 ad. 3.



govern and observe justice. This is the end of the regime; so that if they should do otherwise, governing the country for their sake, they are not kings but tyrants".<sup>1</sup>

Civil laws must always be in harmony with the natural laws, determining, confirming and applying the directions of natural law to particular cases.

Writers in Ethics enumerating the properties of human laws say that they must be *honest, just and possible*.

Civil laws may be intended for municipalities, for a district, for a presidency and for the whole State. In all these cases the law-makers should earnestly try to find out the needs of the respective units. No law can be effective, unless it is the voice of the people.

96. **Representation by Classes.** Whatever the form of government, the body that exercises legislative function should know the needs of the multitude. Many Catholics are of opinion that the best way to know the needs of the multitude is by a legislative assembly representing the different professional classes. Whether the votes of the representative should be of consultive or deliberative character, may be discussed; but, in any case, the different classes should be represented in the assembly so that all the needs of every section of the society may be well known to the law-givers.

97. **Judiciary Power.** The purpose of judiciary power is to establish justice in the social relations of the citizens. In every civilized country courts of law are maintained for settling the disputes over personal and property rights (*civil cases*). Their duty is to see that equal justice is done to all. There are also the criminal courts, which deal with persons violating the laws of the country (*criminal cases*). Those to whom the administration of justice is entrusted, must be men endowed with deep knowledge of law and with psychological insight of men, but above all, men of great moral integrity.

In many civilised countries provision is made for a government lawyer or pleader to defend the rights of the poor. Persons charged with lesser crimes are often brought and tried before the justice of the peace, the munsiff or the tahsildar. At times a jury may be demanded, when the judge acts as umpire and takes care that the facts are brought out fairly on both the sides. If a man is found guilty, the judge fixes the sentence. Some courts may make mistakes; juries also

<sup>1</sup> *De Regimine Principum*, Lib. I, c. II.



may fail to do justice; so appeals to higher court are generally allowed, in order that the citizens may be fairly sure that justice is finally done.

As far as possible, delays in the administration of justice should be avoided, and fairplay among people promoted. The opinion that everything yields to money, should be eradicated by the constant practice of promoting right and justice.

With the advance of civilization a milder discipline is adopted towards criminals. Torture to extract evidence is a thing of the past in civilized countries; all the same, it is a common practice with Communists.

98. **Capital Punishment.** That the state has the right to punish men by death for atrocious crimes in order to secure the temporal safety of its citizens has been denied by Beccario, Ahrens, Holtzendorff and others. But their opinion seems to be wrong. For, it is scarcely possible to keep human passions within bounds, and ensure the safety of the lives and property of peaceful citizens, unless the State has the power of inflicting death on those who have been guilty of great crimes.

The traditional teaching on this subject is embodied in the following passages of St. Thomas: "Every part is directed to the whole, as the imperfect to the perfect, wherefore every part is naturally for the sake of the whole. For this reason . . . if the health of the body demands the excision of a member through its being decayed or infectious to the other members, it will be both praiseworthy and advantageous to have it cut away. Now every individual person is compared to the whole community, as a part to the whole. Therefore, if a man be dangerous and infectious to the community, because of some sin, it is praiseworthy and advantageous that he be killed in order to safeguard the common good".<sup>1</sup> "It is lawful to execute an evil-doer in so far as it is for the welfare of the whole community. Since the care of the common good is entrusted to persons of public authority, they alone, and not private individuals, have the right to put evil-doers to death".<sup>2</sup>

Nevertheless, if time should come when the infliction of less severe penalties should sufficiently safeguard the life and liberty of people, then capital punishment could be abolished. In some countries, where formerly many crimes were punished with death sentence, we find that capital punishment has now been actually abolished.

<sup>1</sup> *Summa Theol.* II-II, q. 64, a. 2.

<sup>2</sup> *Ibid.*, II-II, q., 64, a. 3.



99. **Executive Power.** The necessity of this function arises from the fact that it would be of no use to frame laws if there were no power to carry them out. Executive power has been defined as "the power to carry out the laws framed by legislative power".

The duties of the executive power are: (1) To carry out the laws passed by the legislative power, as well as the sentences of the courts of law. (2) To ensure internal peace and order against all subversive members of the society. For, we must bear in mind that a well organized State self-defence of citizens against citizen is allowed only for the moment when the authority cannot interfere; in normal circumstances the wrong done should be righted through the *police* and the *courts of law*. (3) To secure the defence of the nation from the external aggression. Just as every man has a right to defend himself against an unjust aggressor, so has the State the right of self-defence against another State which wrongs it unjustly.<sup>1</sup> This purpose is fulfilled specially by the *army*, *navy* and *air force*.

The executive power is exercised through different kinds of officials: (a) Ministers and public officers in different departments of the State. (b) Police and army to preserve internal and external order. (c) The officers for collecting taxes from the people to meet the expenses of the government. The first is called *governative power*; to the second the name of *coercetive power* is given; and the third is known as *administrative power*.

100. **Taxation.** The main duty of the *administrative power* (revenue department) is that of collecting the *taxes*. It is plain that to run the Government taxation is necessary. Society recognises the fairness of paying for the benefits it derives from the Government.

Taxes are *direct* and *indirect*. A direct tax is one which is demanded from the very persons who should pay it. Such is the tax on the income on fields, houses, capital, etc. Indirect taxes are those which are demanded from one person under the understanding that he shall indemnify himself at the expense of another; such are sale taxes and excise duties on tobacco, liquors, etc.

Now indirect taxes on the consumption goods will be wrong and anti-democratic unless some differential rates are established on taxes

<sup>1</sup> "Armies are always necessary in a State for preserving the peace of the citizens as well as for avoiding the attacks of enemies" (St. Thomas, *De Regim. Princip* Lib. IV c. XXV).

on necessary goods and luxury goods. We may distinguish three kinds of consumption goods: (1) Those which serve for *indispensable* wants of life, such as rice and ordinary curry stuffs, salt and clothing; (2) those which serve *accessory* needs, as sugar and ordinary beverages; (3) those which are mere *luxuries*, or are intended for saving or perhaps squandering, such are perfumes, costly cloths and food, big incomes, etc.

It is necessary that Government should reduce as much as possible taxes on consumption of necessary goods and ought to lean heavily on the luxury goods. Otherwise rich and poor would be equally taxed. A concrete case will make the matter more apparent. Salt, for instance, is an essential commodity; and if the tax on salt is heavy, poor and rich will equally contribute to the State's revenue: what is really unfair. But if the tax on salt is little, and heavy on motor-cars and other luxuries, then, there would be *progressive taxation*, what is the ideal taxation.<sup>1</sup>

The same can be specially applied to taxation on income. Here we can distinguish *proportional tax* and *progressive tax*. The proportional tax is that which takes the same proportion of all incomes, for example 6%. This tax would take from an income of Rs. 1,000/- Rs. 60/-; from an income of Rs. 10,000/- Rs. 600/-. But a tax of Rs. 60/- on an income of Rs. 1,000/- represents a much heavier burden than a tax of Rs. 600/- on an income of Rs. 10,000/-. It follows that a proportional tax is an injustice, since it affects small incomes much more severely than large ones. Taxation in a certain way should be progressive. But if the ratio of progression were constant, we should have inconvenience and injustice in the reverse order of that just indicated: large incomes would be over-taxed to such a point that the largest could disappear, being absorbed by the tax. Let us suppose, in fact, a progressive tax the rate of which were to begin at 2 per 1,000 Rupees, and to increase at 2 per 1,000 Rupees for each additional thousand. The income of Rs. 10,00,000/- would be absorbed entirely by the tax. Consequently, the ratio should be in descending progression to avoid that a tax exceeds an income.

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<sup>1</sup> From the State's point of view taxes on ordinary necessities have great advantages: They are easily collected; consumers, as tobacco smokers, pay them without noticing, and even at very low rate, they give a very great revenue.



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## ARTICLE VII

## OBEDIENCE TO POLITICAL AUTHORITY

101. As already stated, all authority, social authority not excluded, comes ultimately from God; hence all lawful laws emanate ultimately from God, and consequently have to be obeyed as we obey God Himself. The obligation of obedience to the just prescriptions of the legitimate social authority seems clear. From this it follows that disobedience to civil authority involves not merely a *legal* wrong, as Kant holds, but also a *moral* wrong. St. Paul expresses the Christian idea thus when he says: "Let every soul be subject to higher powers; for there is no power but from God; and those that are, are ordained by God. Therefore, he that resisteth the power, resisteth the ordinance of God. And they that resist, purchase to themselves damnation . . . Wherefore be subject of necessity, not only for wrath, but also for conscience sake".<sup>1</sup>

In connection with the same point, Leo XIII writes: "Hallowed, therefore, in the mind of Christians is the very idea of public authority, in which they recognize some likeness and symbol, as it were, of the Divine Majesty, even when it is exercised by one unworthy. A just and due reverence to the laws abides in them, not from force and threats, but from a consciousness of duty; for God hath not given us the spirit of fear".<sup>2</sup>

102. **Civil Laws binding in conscience.** True civil laws are the concrete application or deduction of natural law. They make definite and clear what in natural law is vaguely and implicitly contained. So the civil authority exercises its functions in the name of the natural law; and consequently, it has a share in the binding power of natural law. Suarez, the greatest writer on law among the Catholic Theologians, writes: "The civil legislator makes laws as the minister of God;

<sup>1</sup> Rom., XIII, 1-3.

<sup>2</sup> Encycl. *Sapientiae Christianae*.

he is required to do so by natural law. This power and its exercise are necessary for common good".<sup>1</sup> Hence the moral obligation in conscience to obey civil laws.

Some statutes may be considered *necessary* for common good, and some others only *useful*. In both cases the legislator has power to bind in conscience. There are, however, some laws called *mixed*, and others *merely penal*. The penal laws bind directly only under pain, which obliges, when the civil authority imposes it for having violated the law. Purely penal laws directly do not oblige in conscience. All admit the existence of purely penal laws: such are most of the rules of Religious Orders. But authors do not agree as to which are the laws in civil society directly binding in conscience (*moral laws*).

Though modern legislators do not say their laws bind in conscience (for most of them scarcely have any idea of the obligation in conscience), still some laws are so connected with the good of society that, irrespective of the intention of the legislator, they must bind in conscience. Such seem to be the laws imposing the obligation of paying certain taxes to the Government. Speaking of moral and penal laws Vermeersch says: "in modern times the civil laws have received a very liberal interpretation. Moral laws immediately binding in conscience are to be considered only those laws which need to have this force to safeguard the common good".<sup>2</sup> All other laws, he adds, are purely penal, imposing only the obligation of not evading a fine or term of imprisonment, after a person has received judicial sentence — *post sententiam judicis*. We too think that most of the mere civil laws are to be considered as penal laws: such are those relating hunting, fishing, traffic regulations, and even those relating custom duties.

For practical guidance the following kinds of civil statutes may be distinguished:

(1) Statutes which are mere applications of the *natural law*, and as such must bind in conscience. Such are all those laws derived from the Decalogue.

(2) Positive statutes which are *necessary* for social order, and as such binding in conscience. Such are all just measures taken by the authority in times of national emergency, taxation in general, etc.

<sup>1</sup> *De Legibus*, Lib. III, cap. 21.

<sup>2</sup> *Theologia Moralis*, Vol. I, n. 178.



(3) Statutes which are *useful* for the common good, but not so necessary in themselves, may be considered as purely penal. Such are most of the regulations of the civil authority, i.e., hunting and traffic regulations.

As in our times the legislator can usually provide for adequate observance of the laws through the police and the judiciary, all laws may be considered as penal, except necessary laws.

103. **The limits of Political Authority.** The civil authority has been instituted to look after the temporal prosperity of the nations; consequently it has the power to make the necessary laws to obtain the temporal prosperity and peace of its citizens. Hence when the civil authority goes beyond this sphere, it is not legitimate and its laws are not lawful<sup>1</sup>. The political authority, therefore, must take care never to transgress individual and family rights, nor, hamper their freedom. Certain rights, such as the right to life, to marry, to rear and educate children, to acquire truth, etc., are not concessions of the State: so it cannot properly legislate on them.

104. **Resistance to the Tyrant Authority.** Resistance may be: (1) *Passive*, (2) *active*, and (3) *armed*.

(1) *Passive resistance* means mere non-observance of laws. When the laws are just laws, civil *disobedience* is morally wrong. Yet passive resistance is allowed; nay more, it may be prescribed when civil laws prescribe actions which are clearly against God's Laws, "We must obey God rather than to man".<sup>2</sup>

(2) *Active resistance* is the resistance to civil authority by legal and constitutional means. Such resistance is quite lawful, for the end is good, and the means are just and moral. When there is a fair chance of success, and the country is not likely to be plunged into worse or greater evils, such resistance is more justifiable.

(3) *Armed resistance* takes place when the civil authority and the execution of the laws are opposed by force. Such resistance is usually against a tyrannical Government. So it will be good to know

<sup>1</sup> Among many ancient peoples, such as Hindus, the conviction was prevalent that the king's authority is divine, and that whether they are right or wrong the king's commands were true laws in themselves and that subjects in no case had a right to disregard them.

<sup>2</sup> Act., V, 29.

what is meant by a *tyrant* or *tyrannical Government*: A king or a Government are tyrants when habitually and in serious matters they abuse their power to the detriment of the common good. This means that the Government has become so corrupt as to care no longer for the common good, and it brings on the ruin of the country. In such a situation, failing all other means to rectify things, is armed resistance against tyrannical Government lawful?

Bossuet and some other Catholic writers of repute held the opinion that armed resistance can never be allowed. The only and the best thing the subjects can do in such situations is "to bear it and pray for the conversion of the tyrant".

The common teaching, however, among eminent theologians, like St. Thomas, St. Belarmine and Suarez, is that people can *in self-defence resist and act against the oppression of a tyrannical ruler with arms*. In order that such armed resistance may be lawful, the following four conditions are needed: (1) That the Government has become tyrannical and has for a long time inflicted serious and continuous injury to the community; (2) that peaceful means, including passive resistance, have proved ineffective against the tyranny; (3) that there be a reasonable probability that the outcome of the armed resistance will be successful and beneficial to the people; (4) that the judgment concerning the tyranny of the Government is shared by the larger and better portion of the community: it should not be only the opinion of private persons or of a mere party.<sup>1</sup>

Generally speaking such a right of overthrowing the political authority even in the case of self-defence, may scarcely exist in a State where free and fair elections are held at reasonable intervals.

In this connection the distinction that exists between *rebellion* and *forceful resistance* to tyrants should be carefully borne in mind. Rebellion is essentially an armed aggression of citizens against their Government, without any adequate provocation for such an attack; while the forceful and armed resistance presupposes always that the Government has so greatly abused its power that there no longer exists any justification for its continuation.

<sup>1</sup> Cfr. P. Marcellus, O.C.D., *Phil. Scho.*, Vol. III, pp. 449-450; Meyer, S.J., *Instit. Juris Nat.*, Vol. II, nn. 531-532; V. Cathrein, S.J., *Phil. Mor.*, nn. 612-616.



105. **Resistance to the 'Non De Jure' Government.** It is a principle of sound ethics that the mere accomplished fact does not and cannot establish a lawful right. Otherwise any successful conquest or any robbery would be justified. The conquest of Ireland by Cromwell was successful; but did it ever justify the English rule in Ireland? Now, if success cannot establish rights, in like manner it cannot extinguish them. If Napoleon had succeeded in establishing his power in Spain in 1808, that would not have destroyed the rights of the Spanish nation to self-government. Now it can be asked: What are the peaceful citizens to do when they are under an illegitimate Government? Must they abide by the laws of the illegitimate Government? Certainly not. Since the obligation to obey is correlative with the right to command, it naturally follows that people cannot be bound, *per se*, to obey the laws of an illegitimate authority. Where there is no right to command, there is no obligation to obey. But supposing that people are allowed to acknowledge the accomplished fact and obey the laws of the *de facto* Government, this in no way would mean that people recognize the right of the usurper. People may remain faithful to the legitimate Government, and yet obey the laws of the established regime of the usurper.

It must be remarked here that the well-being of the country demands from the citizens obedience to the just laws emanating from the usurper, because such laws are *per accidens* binding, that is to say, not precisely because they are issued by the usurper, but because the common good demands their observance.<sup>1</sup> Thus Cardinal Mercier during the 1st World War asked the Belgian people to obey the laws issued by the Germans. On the same principle people must pay taxes to the usurper for the support of the civil and military services of the country, not precisely because they are demanded by the usurper, but because they are necessary for the common good of the people.<sup>2</sup> All the same, when there is chance to expel the usurper, people have the right to join their leader and enroll themselves in the army of liberation to throw off the illegitimate Government.

<sup>1</sup> Cfr. Francisco Vitoria, *Relect. De Potestate Civili.*, n. 2.

<sup>2</sup> Time as such does not legitimize an accomplished fact. But regarding political power there may be *quasi-prescription*, when the common good of the country demands it. For in course of time, after several generations, when the new dynasty or the new form of Government are well and peacefully established, the common good may demand to legitimize such an authority. A State cannot subsist long and prosper without a legitimate head.

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## ARTICLE VIII

## FALSE CONCEPTIONS OF THE STATE

In order to understand better the general character of the State we shall make mention of the conception of State entertained by Kantians, Political Liberals and Absolutists.

## A. The Kantian Conception

106. **The theory of Kant.** Kant drew a clear-cut distinction between Right and Moral Law. For him Moral Law embraces both internal and external actions, while Right regards only external activity in so far as it is the object of coercion. In his system those external actions are according to Right (*Jus*), that allow individual freedom to co-exist and agree with the freedom of all; and coercion from the part of authority is just, precisely because it ensures the co-existence as well as the co-ordination of individual freedom with the freedom of all. Such a state of things can be permanently and satisfactorily achieved only by the exercise of the coercive power of the State, which ensures peace and freedom. State's authority does not touch conscience; it is merely external. In a word, Kant's State is the Police State, where not the moral law, but brutal force rules.<sup>1</sup>

107. **Criticism of this Theory.** *Kantian Theory* is wrong in separating Right from the Moral Law, and making Right regard only external activity in so far as it is an object of coercion. Conscience then is exiled from our relations with the State, and the State is identified with the Police.

<sup>1</sup> Cfr. Meyer, *Institutiones Juris Naturae*, Vol. II, ch. 3 and also Cathrein *Philosophia Moralis*, Pars. I, ch. VIII.



## B. Liberal Conception

108. **Political Liberals.** *Political Liberals*, based on the teaching of Kant, are of opinion that as far as possible, every man should be left free, and the State should not interfere in the affairs of individuals. Since all men are equal, all of them have equal rights and should be allowed the widest liberty. Civil authority can restrain the freedom of one individual in so far as it is necessary to safeguard the liberty of others. Hence, according to them, the State should function in so far as to ensure and preserve external order. It must take care: (1) That justice is carried out in the execution of contracts legally entered into by private individuals; (2) that individual liberty is respected and free competition allowed to function normally; (3) that life, liberty, property, health are safeguarded and protected in so far as such protection does not interfere with others' rights.

109. **Criticism of this Conception.** The best criticism of the *Political Liberals'* theory are the great economical, industrial and religious evils brought on Europe by Governments that acted on these principles during the nineteenth century. Most emphatically the State has a duty to protect the life and goods of the citizens, and to punish any misdeed against the property or person. Why should the Government's functions be limited to this kind of action? Why should not the Government be in duty bound to extend its power over all those things which are necessary for the greatest benefit of all? Is not the State bound to look after public health and to prevent, to the best of its ability, the spreading of contagious diseases? Why should the State, through fear of invading individual liberty, be deprived of the right to build hospitals, orphanages, lunatic asylums and so on?

Again, apart from exceptional cases and public calamities, a State, conscious of its civil duties, cannot leave industrial and economic matters to the caprice and free play of unscrupulous competitions. The State cannot remain idle, when it is a question of deserving national enterprises, and when it is a question of alleviating numerous physical and moral miseries. Hence the liberal theory of juridical protection is not only illogical and immoral, but even highly cruel. If man is by nature a social being, it is because through civil society he can improve his condition and better satisfy his needs. St. Thomas wisely remarks that "law properly and principally looks to the common good".<sup>1</sup>

<sup>1</sup> *Sum. Theol.*, I-II, q. 2, a. 90 ad 3.



We are experiencing today the evil consequences of political liberalism in every department of life, but especially in the economic department. They are graphically summarised by Pius XI thus: "From this source as from a polluted spring have come all the errors of the individualistic school of economics. This school destroying the social and moral nature of economics, either through forgetfulness or through ignorance, held that economics should be considered and treated as free and independent of public authority, because it had in free exchange or competition a self-directive principle by which it would be regulated much more perfectly than by any intervention of human intellect".<sup>1</sup> And again: "Unbridled ambition for domination has succeeded the desire for gain; the whole economic life has become hard, cruel, and relentless in a ghastly measure".<sup>2</sup>

The principal points of the Christian teaching in this matter are: (1) The end of the State is not the mere safeguarding of public order, but the promotion of the common good in a positive way; (2) the State has the duty of securing economic justice and equality; (3) those in authority have a moral duty to do everything possible to enable the individual citizens to attain their moral and material well-being.

### C. State Absolutism

110. **Absolutists' Doctrine.** The opposite doctrine to Political Liberalism is the theory of *State Absolutism*, holding that the State is the supreme end of man and that, consequently, its authority can overrule the sphere of activities of all social units, such as individuals, families, municipal units, associations, etc. No one can enjoy individual rights unless they be derived from the source of all right, namely from the State. So in this system all private activity in morality, education, agriculture, industry, commerce, etc., must be essentially subordinated to the State, because they are mere instruments of the State. The State is no longer regarded as a means to an end, but an end in itself.

Among the several conceptions of State absolutism we may mention the following:

(1) *Ancient Absolutism.* Practically all ancient philosophers advocated State absolutism. According to *Plato*, the individual must

<sup>1</sup> Encycl. "Quadragesimo anno".

<sup>2</sup> Ibid.



be absorbed by the State, otherwise a genuine social unity could not be had. For him, the State was everything, the source of all rights. *Aristotle* too subordinates the individuals, at least to some extent, to the State, when he said that the State, without violating any private right, could freely dispose of individuals for its own interests. It must be remarked, however, that *Aristotle* stated that the State should aim not merely at the attainment of material necessities of life, but also of the mental and moral developments of the citizens. He, further, taught that some individual rights are inalienable, despite the all-absorbing State.

We find also that the view of absolutism of the State was implied in the famous Roman motto: "*Salus populi suprema lex esto—Let the welfare of the State be the supreme law*". Throughout the ancient world the State generally occupied the place of pre-eminence, and the individual remained in the background. And yet among the ancient Greeks and Romans the individual enjoyed a certain amount of independence. Athenian citizens, for instance, enjoyed an extensive freedom of action recognized by all and guaranteed against State interference.

(2) *Pantheistic Absolutism*. This theory, attributed to Hegel who lived in the last century, holds that the State is supreme, and it is the source of all rights. Here individual right as well as human dignity is completely sacrificed to the omnipotent State. The State is the indwelling spirit in the world, the *divine will* in process of self-development in the real and organic form of the world (Pantheism). Hence the State must be worshipped as a deity. The dignity of the State, as that of the omnipresent deity, requires that the individual should have no rights, but only duties. In this theory everything is subjected to the State, that is to say, to the caprice and passions of the rulers.

Most of the recent totalitarian conceptions of the State originate in the pantheistic philosophy of Hegel, but specially the Nazi doctrine. Supremacy of the Nordic race held by the Nazis, not only as a natural but a religious ideal as well, was originated from Hegel. Race and blood were deified in Nazi Germany.

(3) *Socialistic Theory*. In this theory the ruling class—the worker—becomes the source of all rights. The individual, the family, as well as other societies, are deprived of all rights and liberty, and are subjected to this absolute State or collective whole. In this connection let us quote the words of Pius XI: "*Communism strips man of*



liberty, robs human personality of all its dignity, and removes all moral restraints that check the eruption of blind impulses. There is no recognition of any right of the individual in his relations to collectivity; no natural right is accorded to human personality which is a mere cog-wheel in the Communistic system . . . Communism recognises in the collectivity the right, or rather the unlimited discretion to draft individuals for the labour of the collectivity with no regard for their personal welfare; so that even violence could be legitimately exercised to dragoon the recalcitrant against their wills".<sup>1</sup>

We find in our times the socialist conception of the State, and a realization of many of these ideas in the Bolshevik experiment of Russia.

(4) *Totalitarianism*. We have got the modern conception for absolutism in *Totalitarian* States. The classical definition of the Totalitarian State is: "Nothing outside or above the State, nothing against the State, everything within the State, everything for the State". Theoretically, therefore, the word "totalitarian" applies to the deification of the State at the expense of every other conceivable social organism. The State is made an absolute entity in accordance with either Marxian materialism or Hegelian nationalism. Totalitarianism but without panthiestic basis, was established in Fascist Italy.

III. **Remarks on Absolutism.** The main errors contained in absolutistic and totalitarian systems are two, namely: that the State is absolutely autonomous; and that the State is the sole fountain and source of right.

(I) *The State is not absolutely autonomous*. To understand this statement better we must distinguish between the relative and absolute autonomy of the State. The relative autonomy is that intrinsic and essential independence which every sovereign civil society possesses in regard to other civil societies. And such relative autonomy can be granted to the State. But no thinking man can grant to the State absolute independence from any being. The State as well as the members that make it out are not self-made beings, nor can they exist by themselves. All created beings depend ontologically on their author, and this dependence is essential. To say that creature is absolutely independent is a contradiction in terms. The very origin of the creature through the creative act implies an essential relation of

<sup>1</sup> Encycl. "*Divini Redemptoris*".



dependence from God. The State, therefore, being an object of the creative will of God, must, like all other contingent beings, depend ontologically on Him.

The State too has an end imposed upon it by the Creator, an end which determines the point of convergence of all social actions, which binds under the yoke of duty both subjects and rulers: whence we derive the moral obligation of working for social welfare—an obligation binding both the individuals and rulers of civil society. Now, such an obligation cannot originate in the State, which has the natural duty of obtaining common welfare, but in God, the author of nature.

It follows, therefore, that the State depends upon God not only ontologically, but also in the exercise of its power. This dependence is obviously an external limitation which proceeds from a will distinct from that of the State. There is, then, an order of justice above and outside the State, which is founded on the eternal law, and to which the State is subjected.

(2) *The State is not the source of all Right.* The untenability of this second proposition of totalitarianism is clear from what has been just said. If the State is not a self-made being, but it comes ultimately from God, it follows that its rights are from the same source. It must be admitted that the State has power and right; but such rights belong to the State in virtue of its mission of promoting the social good. Now we ask: Is this mission something which the State finds determined by the intrinsic constitution of its nature? In this case we find ourselves in the field of natural rights. Or is it self-imposed mission? In that case we will have to admit the absurdity that the mission of promoting the social good is not essential, but accidental to the State. From all this follows that the mission was imposed upon the State by the divine will, without which one cannot explain duty or obligation. Society is not a mechanical entity, but a spontaneous and natural union of intelligent beings seeking mutual aid for the attainment of common welfare. To explain this social union one must admit the motive of moral obligation emanating from a higher law independent of the will of the State, from an absolute and universal order which imposes an absolute obligation and a true internal bond both on the State and on the individual. In the absence of this higher law, nothing can be explained, not even the State, as Petrone many years ago wisely remarked: "The naturalist who conceives of right as a pure and simple product of the State, forget that the State, divorced

from right, is no longer a State, but an amorphous multitude, and that he derives the right from the State after having by a mental anticipation derived the State from the right".<sup>1</sup>

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## CHAPTER IV

## INTERNATIONAL SOCIETY

## ARTICLE I

## GENERAL NOTIONS

112. **Origin of International Society.** As individuals are led by nature to social life in order to satisfy their most essential needs, and thereby attain their perfection, so societies are induced to international society in order to obtain their aim. There is no historical record nor any other condition of man that explain society, except the social nature of man. The theory of society originating from a free contract—the social contract of Hobbes and Rousseau—is not historically proved. Man by nature, that is to say, from the beginning, is *social*.

Civil society at the beginning was patriarchal. Only in course of centuries did a number of civil communities band themselves together into larger communities called States. Nevertheless just as an individual cannot be a separate unit in society, so a State cannot be an isolated unit in the world. The higher degree of the organization of the States, the greater the interdependence of the different States and greater the need of their mutual co-operation for common purposes. In the beginning the interdependence and common aims of the States were few, and thus the relations between nations were not so necessary and so complicated; but at present these relations have become so interlinked that the study of international questions is of utmost importance.

International relations between different nations in Europe may be said to have existed as far back as the fifteenth or sixteenth century, when there were many European nations, unified in spite of their different languages and traditions. But in the peace of Westphalia, 1648, international dependency was acknowledged when each nation was given equality of state and sovereignty, and hence the power to make alliances with other States.<sup>1</sup>

113. **Towards the International Law.** Some scholastic Doctors, as St. Thomas, in Medieval times treated in a passing way the principles of international relations. Later on, eminent jurists, such as Vitoria

<sup>1</sup> Cfr. A.C.F. Beales, *The Catholic Church and International Order*, Chap. II.



(1480-1566), Suarez (1548-1617) and Grotius (1583-1645), tried to apply to the international sphere certain principles of natural law or generally admitted customs. It was chiefly Grotius who carried this development one stage forward by attempting to codify and make *explicit* the rules of the Law of Nations in his *De Jure Belli Pacis* (1625). And this process of completing the laws of the Nations has been in progress ever since. In different treaties, as in the Treaty of Westphalia (1648) and that of Vienna (1815), certain international rules about ambassadors, sea warfare, etc., were established, which had to be observed by all nations. International law regarding the application of the principle of natural law as well as the formation of positive ones has made much progress, though we still lack a Code of laws admitted by all nations.<sup>1</sup>

114. **Definition of International Law.** International law can be defined as "sum of those rules or laws which nations are bound to observe in their relations, whether they be derived from *natural law* or *mutual agreements*". As given in the definition, some of the laws binding the nations are derived from natural law, irrespective of mutual agreements. Thus the right of self-defence, the right of internal development, etc., are based on natural law. But besides these obligations there are other duties which are derived from the positive will of the Governments, which agree to certain other political and commercial agreements whether in time of peace or in time of war. The combination of all these laws mentioned above should form the *International Code of Nations*. As Beales puts it, "the teaching of international relations can be conveniently regarded as two-fold: negatively as a teaching on war, positively as a teaching on peace, and (what is much more important) the order based on *justice* and tempered by charity, without which peace is a dream".<sup>2</sup>

115. **Does the International Law exist?** Many a modern follower of Hobbes and Rousseau consider man *unsocial*: hence they cannot admit any *social natural obligations* that bind men in their social relations; for them the positive laws of the State are the source of all obligations. When this principle is applied to international relations, those philosophers cannot understand how a State can be bound to

<sup>1</sup> Cfr. F. B. Scott, *Catholic Conception of International Law*, Chap. II.

<sup>2</sup> Cfr. A. C. F. Beales, *The Catholic Church and International Order*, page 98.



observe international conventions based on natural law.<sup>1</sup> Greater still is the difficulty of those who like Hegel, call the State the *absolute power on earth* constituting its own end and object.

But the existence of the duties among the nations is certain. If we examine the nature of man, we shall find that he is made to live in society. As a result, in addition to his personal duties to God, he has personal duties towards his fellow men: duties of justice and charity. Men, being rational, have moral relations with other men; and these, in turn, imply mutual moral obligations. In the same way once a State is legitimately constituted, it forms a *moral unit* with moral duties and rights towards other States. And as human individuals enjoy certain rights, so by analogy States must have similar rights with corresponding duties to other States. The existence of this international society is now-a-days generally recognised, and its implications are also commonly accepted. As individual men are subject to moral laws, so also States: hence the public conduct of Nations in international order must be judged by the same canons as individual conduct is judged in social life.

Still it is strange that rulers who would hesitate to lie, organize stealing or murdering in private dealings with individuals have no hesitation in resorting to organized lying and stealing or murdering in their dealings with nations. It must be because a foreign Nation or State does not appear as real and alive as an individual but inchoate and vague in its collectivity—you cannot touch a nation or speak to a nation as you can to an individual man or woman.

## ARTICLE II

### GENERAL DUTIES IN PEACE AND WAR

**116. Duties of Justice and Charity.** As the mutual obligations of the individuals in society may be reduced to that of *justice* and *charity*, so too the obligations among States. The duties of justice are embodied in the precept: "*Cuique suum—each one his own*". All nations have certain rights derived from natural and positive law, as the right to existence, self-development, etc.; and since every right must have a corresponding duty, all nations are bound with mutual obligations.

As a complementary obligation of justice comes *charity*, which carries us far beyond justice. The old counsel "do unto others as you

<sup>1</sup> One is reminded in this connection of Georges Renard's trenchant phrase: "The doctrine of Rousseau is a doctrine of national and international anarchy" (*Tablet*, October 31, 1942).

would have them do to you" can be equally applied to nations, as it is applied to individuals.

When we speak of Justice and Charity we do not mean the more or less mechanical justice of a police state or the mere philanthropic charity. We mean the justice and charity based in natural and divine laws and inspired by the true ideals of the Christian Religion.

**117. Treaties are to be observed.** A treaty is a public and formal agreement among States or Nations. An international valid and just treaty is equivalent to a just contract of individuals in social life: consequently the States are bound likewise to observe in justice the obligations of their treaties.

Of course it would be a notable advance that the treaties between sovereign States may have the character of international laws—just as we base on law the relations of individuals within organised society. This however supposes the existence of an Organized International Society which has incorporated the treaties as a part of International Law. This requires transferring parts of the sovereign authority of the independent States to the International Institution capable of creating law and order in human relations beyond and above the States. Just as the sovereign people of a State for their own safety and well-being have to transfer parts of their rights to the State, so also in order to protect themselves against the dangers of wars States should delegate part of their sovereignty to an International Authority capable of applying law to International relations.

Now, in order that this International Authority may rule peacefully its policy should be based on the principles of Christian religion. This involves regarding all nations as members of a family under the Fatherhood of God.

**118. Notion of Peace.** The normal state of International relations should be a state of peace. Peace was defined by St. Augustine as "*tranquillitas ordinis—the tranquillity of order*". Tranquillity, remarks St. Thomas, should be based on harmonious relations and concord of wills. Concord of wills may be the outcome of violence and fear; then it does not constitute real tranquillity, even though there be apparent calm and order. There cannot be true peace without *order*, as there will be no real order without *justice*, and no life in justice without *charity*.



As Professor Madariaga says: "Peace is one of the forms of health of the community and the health of the community is not a matter of volition but a matter of fact. The world community will not attain peace until its energies follow undisturbed in the collective and positive direction from the parts to the whole".<sup>1</sup> The principles of natural and divine laws must animate the international body of nations as an indispensable element for upholding international peace. Hence Pope Pius XI proclaimed: "To create this atmosphere of lasting peace, neither peace treaties nor the most solemn pacts, nor international meetings or conferences, nor even the noblest and most disinterested efforts of any statesmen, will be enough, unless in the first place are recognised the sacred rights of natural and divine law".<sup>2</sup>

There are some philosophers who glorify war because of its *romance*, because it brings to the fore the finer and nobler qualities in man—strength, bravery, self-sacrifice—and because it develops the intellectual qualities of the nations. But the destruction and terrible consequences of wars, especially the modern ones, are sufficient in themselves to refute that theory, without further examples or detailed proofs. Besides, at present, wars, owing to the interdependence of the nations, are so complicated in their operations that every war must of necessity be world-wide in its consequences.

**119. Notion of War.** War is opposite to peace. We say that nations are at war when, breaking their harmonious relations, they resort to fight, whatever the purpose may be. War is called *defensive*, when one nation fights in self-defence. It is called *offensive*, when one nation attacks another nation for whatever motive. It may be to redress some injustice, or merely to overcome another nation.

**120. Can a war, whether defensive or offensive, be just?** The idea of war is opposed to the natural sentiments of man and as something destructive of the naturally harmonious relations which must reign among nations. St. Thomas, dealing with the problem of the *just* war, puts the question significantly in the interrogative form; "Utrum bellare sit semper peccatum—*whether to fight is always a sin?*" With St. Augustine, the Fathers of the Church and Christian Philosophers unanimously admit that *there can be just wars*. But they require *just* and *grave* causes.

<sup>1</sup> *Anarchy or hierarchy*, p. 199.

<sup>2</sup> *Encycl. Caritate Christi compulsi*, May 3, 1932.

A war of *self-defence* is in principle certainly just. As natural right gives man the right to defend himself against unjust aggressor, so also the State has the right to repel by force the aggression of another State. In a well-organised State the self-defence of the citizens against citizens is allowed only for the moment when the State cannot interfere; but after the wrong is done, the private citizen must apply to the State authority to secure him the redress. With States the case is not the same, since the State has no higher authority to have recourse to.

In this respect we may quote the following passage of Vitoria: "A State is within its rights, not only in defending itself, but also in revenging itself and its subjects and in redressing wrongs. This is proved by what Aristotle says in the third book of his Politics, namely, that a State ought to be sufficient unto itself. But it cannot adequately protect the public weal . . . if it cannot avenge a wrong and take measures against its enemies . . . It is therefore imperative for the due ordering of human affairs that this authority be allowed to States".<sup>1</sup>

*Offensive* warfare is a different thing; its justification is more difficult. But any nation which has received a grievous offence from another State, since it has no higher authority to whom it can go to obtain satisfaction, is allowed to restore its violated rights by making use of force, other means failing. This is a principle of natural law. St. Thomas, quoting St. Augustine, says: "Just wars are those which avenge injustice; for instance, when a city or a nation is to be punished, which either did not punish the iniquities of its subjects or did not return what has been unjustly taken away".<sup>2</sup>

In practice certain conditions are to be fulfilled in order that a war be *just*:

(1) There must be a just cause—an actual and morally certain violation of right on the part of the aggressor.

(2) All peaceful means to avoid war must have failed or be impossible.

(3) There must be a reasonable hope for success, that the people may not be made to suffer without any prospect of deriving good, whether present or future, from it.

<sup>1</sup> *De Jure Belli*, relat. 15.

<sup>2</sup> *Summ. Theol.*, I-II, q. 40, a. 1.



(4) The evils involved in the war must not be greater than the evils sought to be averted.

(5) The sovereign authority must declare the war, and he must have a *right intention*.

121. **The causes of war.** St. Augustine in his famous book *The City of God* classified the causes of war as *political*, *economic* and *moral*.<sup>1</sup>

(1) Among *political* causes he puts the personal ambition of rulers, the lust of conquest and the desire to find outlets not only for the turbulent energies of the populations but also for the excesses of natural feelings.

(2) Among the *economic* causes he stresses, above all, the exaggerated love of material possessions which, with increased trade and commerce, has become one of the main reasons of wars in our present times. "It is a grave error", says Pius XI, "to believe that true and lasting peace can rule among men and among peoples so long as they turn first and foremost and avidly in search of sensible, material, earthly things. These being limited, can with difficulty satisfy all, even if no one (which is hard to imagine) should wish to take the lion's share. Whence they are almost inevitable sources of discord and opposition as they are of greed and envy".<sup>2</sup>

(3) As *moral* causes he hints pride and exaggerated national spirit which make nations intolerant of others, regarding them as inferior and breeding a hatred of other States. An excessive sensibility to a supposed hurt to national honour too leads often to war.

We might also add here as a moral cause the mistaken philosophy, that the State is an end in itself and practically free from all moral law, and that it can commit acts, which would be reprehensible in individuals, but which by reason of the State's supposed absolute power are entirely permissible to a nation.

<sup>1</sup> Bk. III, chap. 14.

<sup>2</sup> Encycl. *Pax Christi*.

## ARTICLE III

## ORGANIZED INTERNATIONAL SOCIETY

**122. International Organization.** It is to the advantage of all Nations to organize international society upon a common basis according to natural law and just order. There must be a common code of conduct in all matters concerning international relations, determining the rights and duties of all the members of the International Community. In this matter we should note that as the organization of the Government of each country is left to the will of the people, so International Society should be organized by the nations themselves, provided the principles of justice and charity are not overlooked.

It is only on sound Christian principles that a true international organization can be established. For "the very idea of international law, as the modern world has known it, is the product of European civilization and has its ultimate basis, like all the higher values of that civilization, in the belief in a transcendent spiritual order, in a natural and divine law to which States and peoples as well as individuals are subject".<sup>1</sup>

**123. International Authority.** There should be an international authority invested by the consent of all the members with powers sufficient to enforce obedience to the code of conduct agreed upon. Obedience to such an authority in no way infringes the rights of individual nations and States, but on the contrary it enriches them. In general the rights of all the States should be equal. But the equality we speak of is *juridical* not *de facto*; much in the same way as it should exist among the citizens of a country. Before the law all citizens are supposed to enjoy equal rights, although *de facto*, for reasons of social hierarchy, the position of all citizens is not the same in a State. "The philosophy which claims greater rights for the stronger State denies the universality of ethic values which are binding upon human consciences independently of any material strength. Right, in the moral sphere, has a value *per se*, which is above any power to enforce itself. Right, if attacked and oppressed, only shines forth with greater power. Force in itself is purely physical, a pure fact and not an ethical value".<sup>2</sup>

<sup>1</sup> Christopher Dawson. *The Judgment of the Nations*, p. 91.

<sup>2</sup> From an article in the *Observatore Romano* of January 4, 1942.



124. **Right of Intervention.** The right of intervention by the State, in respect of their individuals, districts, provinces, etc., when they refuse to keep the law, is admitted by all. Not only does the State enjoy the right of intervention, but it possesses also—in the courts of law and police—the means of making the intervention real and efficacious.

Should the right of intervention exist within the community of States? Clearly it should exist in case there would be an international authority with right over and above individual States and their laws. Besides, in principle the right of a State to intervene in favour of another which has been unjustly attacked is lawful in the same way as it is lawful to an individual man to assist another individual when unjustly attacked. The answer of jurists, however, in the last century was generally in the negative; because if any of the nations were to intervene on her own authority, other nations would become suspicious, and that would spread the conflict further instead of settling the dispute. This is why it is always very dangerous to make use of the right of the intervention of a third party in its own name. But when there is an organized International Society, the most practical and necessary thing would be to interfere with the conflicts of the nations.

#### ARTICLE IV

### THE LEAGUE OF NATIONS

125. **Society of Nations or States.** The League—the organized International Society—which was established after the first Great War by the Treaty of Versailles, June 1919, was called *The League of Nations*. But in fact it was a League of States; it was the Governments that were associated, not explicitly the nations.

Every nation is not a State. A nation is a natural form of society; while a State can be something very artificial, held together by bonds of temporary interests, and ready to split up into national groups that compose it, the moment the bond ceases to hold. International Society, therefore, should consist rather of States than of nations, but the State must take the responsibility to make order and justice observed.<sup>1</sup>

<sup>1</sup> There are States containing national minorities within their frontiers. Where this is the case, the Church teaches that all the national rights as language, worship, education, etc., must be fully respected and protected by the State. Till recently the national minorities have been badly treated. In the

Nationality is a matter of inheritance and tradition. Nationality arises out of common ancestry. People of a nation reveal actual cultural distinctness from other peoples, and they usually desire to preserve this distinctness by giving themselves a political government of their own, thereby making themselves a State.

In so far, then, as nationality is something based on inheritance or on physical characteristics, and in so far as every man seeks to preserve his own nationality, the Nation has rights which have to be respected. Which are those rights? The description of what a Nation is, suggests the answer. A nation, as a natural association of men, must have the right to all the activity which is necessary to its preservation, such as the right to preserve the national language, the right to control the national education, the right to preserve the national culture, and so forth. These are the things which the recent Popes had in mind when they stressed "the right each Nation has to its own life."

126. **The League of Geneva.** At the end of the first Great War, 1914-1918, people and nations felt the necessity of avoiding future cataclysms. When the Treaty of Versailles was signed the most important clause of the Treaty was the "Covenant", which planned the setting up of what is known as the *League of Nations*.

The first purpose of the League was to prevent actions destructive of peace and promote international concord. The conditions for membership of the League were: *Fidelity to Treaties, respect of Minorities and a policy of non-aggression*. The League contained as many as 55 States when the second War broke out in 1939. Geneva (Switzerland) was selected as the seat of the League.

The constitution of the League was as follows: It consisted of the *League Assembly, League Council and Secretariate*.

(I) *League Assembly*. It was a sort of World Parliament. It consisted of representatives of every State member of the League. All members were equal in the Assembly, and all the States had a right to send three representatives each. Consequently small powers often assumed a preponderant influence. The work of the Assembly mainly consisted in discussing the important questions of peace, limitation of armaments, treaties, international law and other subjects that touched the welfare of the States. All the meetings were open to the public.

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condition of human society, the minority has only qualified the right of rebellion to fall back on. But if there were an organized society of nations, there would be another way out, namely, the appeal for redress to the said society.



(2) *The League Council* was similar to an executive body; that is to say, it was a council that *executed* or carried out the decisions of the Assembly. It was a much smaller body than the Assembly, and consisted of fourteen members—five of whom (*viz.*, Great Britain, France, Italy, Japan and Germany) were permanent, and nine temporarily chosen by election each year (three at a time) by the Assembly. The Council had power to settle disputes between different nations.

(3) Besides, there was the *League Secretariate*, which was a body of permanent officials—men and women—belonging to different countries. It was divided up into various departments, the department for political problems, for health, labour, social questions, mandates, minorities, information, etc.

127. **The Working of the League.** The greatest problem any League is called to tackle is the problem of aggression. The "Protocol of Geneva" defined aggression as an international crime; and in case of conflicts between nations, the first thing necessary to be found out was who is the aggressor, and then only settle the dispute. The procedure was to be as follows: The first step demanded by the Protocol was an *armistice* between the conflicting States. Once the aggressive country and the nature of the aggression were declared—a difficult affair indeed—then the Council of the League proceeds to the application of sanctions. The League admitted two kinds of sanctions: *Economic* and *military*. Only the first was obligatory; and consequently, all members of the League had to promise to break all financial relations with the aggressor and to prohibit and stop all communications—commercial and personal—between their own citizens and the citizens of the aggressor State.

On the other hand, military sanctions were not obligatory; for, the duty incumbent on all the members was to take into consideration the recommendations of the Council regarding the military, naval or air forces, by which they should make the League's decisions effective, being each one at liberty to decide whether to interfere or not, and the time and manner of doing so. In the military sphere there was only one obligation that was certain, namely, the duty to facilitate the transit of soldiers through one's territory, when the military of one country is mobilized in the interests of the League.

The League interfered successfully in several conflicts, such as the conflict between Bulgars and Greeks in 1925, the plebiscite organized in Vienna, 1920, etc. . . It was, however, less successful in preventing

the occupation of Manchukuo by Japan in 1933 and to stop the Italian aggression on Abyssinia in 1935. In the Abyssinian war economic sanctions were declared against Italy, which caused great anxiety to Italy; but once the conquest of Abyssinia was an accomplished fact, these sanctions were not considered as obligatory. The failure weakened the League very considerably, and the authority of the League collapsed finally when the war broke out in September 1939. After the Soviet invasion of Finland, the General Assembly of the League, held in December 11, 1939, condemned Russia and expelled her from the League. Since then the League discontinued its political activities. The remnants of the League with what remained of the Secretariate was transferred from Switzerland to Canada in 1941. The League was officially abolished on the 18th April, 1946, after 26 years of life.

128. **Failure of the League.** Any International League is sure to meet with two great obstacles in avoiding aggression, once it is committed to stop the conflict: The *first* is the lack of sufficient authority; the *second*, the difficulty of imposing sanctions on a very strong aggressor.

In order that the League should have sufficient international authority, it should be *universal*, that is to say, all the important States should belong to it. And the League of Geneva was not universal, since the U.S.A.—whose President Wilson was its main founder—refused to be a member of the same; hence the authority of the League remained weak. Some time later Japan and Germany too ceased to be members; thus the League was made weaker.

The lack of *universality* as well as the *lack of power* to enforce the sanctions, were causes of the failure of the League.

Besides, the influence of the great States in the Council was excessive. The small States were not satisfied as to the way their grievances were considered, since the great States carried out their decisions through their own ambitions. Again, one common accusation levelled against the League was that it was mainly intended to uphold the Treaty of Versailles against defeated Nations, especially against Germany.

But what accounts mostly for the downfall of the League is the failure of the Nations and peoples to carry out the laws of God. No permanent peace is possible in Europe or elsewhere, unless the principles of Christian religion are made the foundation of national policy



and of all social life. All nations must be regarded as members of one family under the Fatherhood of God.

129. **United Nations' Organization.** In April, 1945, was inaugurated at San Francisco the United Nations' Organization attended by delegates of 45 nations. It consists of a General Assembly and a Security Council, and pretends to be a substitute for the League of Nations. Its characteristic feature is the great authority granted to the great Powers in the Security Council to prevent wars. So the Big Four—United States, England, Russia and France—are given the right to *veto* in important matters of war.

As a whole, the people are not more confident about the working of this organization than about the dead "League". From its short period of work people have come to the conclusion that the Veto rights of the great powers in the Security Council make the organization of little use as a means of coercion against a major power or any of its satellites. The U.N.O. seems to aim at avoiding minor wars among weak and not among the major powers.

The Four Power Conferences that are taking place now (September, 1948), are expected to improve things; but we must not be overconfident as to its results in harmonising the interests of different States. The failure of the Western democracies to come to an understanding with Russia and the fear of the atomic bomb in future wars, has brought about a new tendency toward International Federation of Nations. The friends of World Federation advocate an organization within which each country would retain its domestic sovereignty, delegating to a world government only such powers as are needed to maintain law and order among nations. Many think that the United Nations Organization is capable of evolving into such an instrument. But there has to be something more than organization. The Federation will not succeed until and unless a common aim and a common sense of *moral values* is shared by the great majority of the Assembly. The crucial question, therefore, at present, is whether such a common aim and moral values exist and can be developed, e.g., between so opposed ideologies as that of the Marxian Russia and the Western Democracies.

130. **Principles which should underlie any International Organization.** As a step towards the establishment of just peace on stable international society the Church recommends the following principles as

the basis of international life. They are inspired in the five points of Pius XII.<sup>1</sup>

(1) Co-operation of all the States for an International League. If some important States withhold their co-operation, no League can eventually succeed completely.

(2) The life of liberty of each State must be mutually respected.

(3) Obligatory arbitration of all international disputes that are covered by International Law.

(4) Efficient International sanctions, *economic* and *military*, to compel recourse to arbitration or conciliation.

(5) The reduction of national armaments to the minimum level compatible with internal order.

"True peace will be established when the nations are freed from the heavy slavery of armaments and from the danger of that force which, instead of protecting rights, becomes violent in its oppression".<sup>2</sup>

(6) Access of all nations to sources of materials necessary for their economic life.<sup>3</sup>

(7) Scrupulous regard for the rights of religious and national minorities.

(8) A recognized procedure whereby treaties and contracts may be revised when their continued validity can no longer be morally defended.

We shall conclude with the words of the International Union of Social Studies addressed to the League of Nations on 7th December, 1925. The interesting document reads as follows:

"The International Union of Studies, assembled at Malines under the presidency of His Eminence Cardinal Mercier, being convinced,

<sup>1</sup> The five points mentioned on Christmas day allocution, 1940, by Pius XII were that Axis and Allies must win a five-fold moral victory: (1) Victory over hate; (2) victory over distrust; (3) victory over narrow utilitarianism; (4) victory over might as opposed to right; and (5) victory over selfishness which destroys solidarity.

<sup>2</sup> Pius XII, *Christmas Allocution*, 1939.

<sup>3</sup> The Atlantic Charter has declared that its authors "will endeavour, with respect for their existing obligations, to further enjoyment by all States, great and small, victor and vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity."



"That the interdependence of nations creates among men a natural society, between whose members there ought to be legal relationships,

"That the brotherhood of men implies brotherhood of nations,

"That moreover the providential diversity of wealth and aptitudes of different peoples invited them to make peaceful exchanges for the benefit of all humanity,

"And that war, disturbing this harmony, is a scourge which should be forestalled by every means of adjustment and arbitration.

"Considering that the principle of the League of Nations is a part of the Christian tradition, which found its application in the Christendom of the Middle Ages, and that it has been recalled in memorable circumstances by the Holy See,

"Proclaims that the idea of giving a lasting shape to the natural comity of nations is just and beneficent,

"Recognized especially the efforts made by the League toward social betterment and labour legislation,

"Expresses the hope that similar efforts will be made in favour of Christian minorities in countries where they are threatened,

"Recommends all Catholics to follow the labour and support the work of the League,

"And requests its President to send this resolution to the permanent office of the League of Geneva".<sup>1</sup>

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<sup>1</sup> *Catholic Social Year Book*, 1929, pp. 55-57.

## APPENDIX

## THE CHURCH AND THE STATE

131. **The Church.** Man has a twofold end—natural and supernatural. The purpose of the civil society is to help him in the attainment of his natural end; but the State cannot direct man to his supernatural end. For this purpose God, through Christ, has established His Church here. By the Church we mean “the society of all those who, being baptized, profess the faith of Christ, and are governed by their lawful pastors under one visible head”. The Church, being a divine institution, has no need of the permission of any other society to exist and to function, because it exists and functions with the authority and command of God.

The *main function* of the Catholic Church, founded by Christ, is to lead men to the final end of their existence, which consists in enjoying God for all eternity in heaven. The Church teaches man his obligations towards God, towards himself and towards his neighbour. Again, it is the Church which teaches him how to recognise the rights of his neighbour and his duties towards him, particularly the duty of Christian charity.

132. **The Church is perfect Society.** The Church has its own end, not subordinated to any other society; besides, it contains within itself all the necessary means to obtain that end; and lastly, it has in itself all that is requisite for the full discharge of its functions. As the members of the Church are members of the State too, the Church and the State have the same subjects. But this does not mean that the Church depends upon the State, for men are members of the Church under a different aspect.

Needless to say that for the proper exercising of her power the Church requires a certain independence from temporal sovereignty. Her authority cannot be hampered by civil powers. As a matter of fact, the Church enjoyed such a temporal sovereignty of old, but was deprived of it by civil encroachment from 1870 to 1929. In the latter year, however, the temporal sovereignty was restored to the Church by the Lateran Treaty; and the Pope, the head of the Church, is now an independent sovereign with his recognized place and prerogatives among the rulers of the world.



133. **The State towards the Church.** It must be admitted that the State is a natural and perfect society. But it must be also acknowledged that the rights of the Church are superior to those of the State, since the end of this is temporal and the end of the Church eternal and supernatural. Any conflict between the Church and the State can be easily avoided acting on the following principles:

(1) The State exists to serve man's temporal needs; the Church exists to serve man's spiritual and eternal interests.

(2) Temporal affairs, not having direct connection with spiritual things, are the concern of the State alone; spiritual affairs, even involving things temporal, are the concern of the Church, and the State must accord submission to and co-operation with the Church.

The Church and State are not to be regarded as rival powers. They are necessary societies, each with its own proper sphere. Where their provinces appear to overlap, the situation is to be accurately determined; and, if doubt persists, the Church, as a divine institution concerned with the most important interest and issues that can affect mankind, is to be recognized as supreme. God made man; man requires society; and society involves the State. God also made the Church to serve man's eternal needs. God cannot contradict Himself in His words and deeds. He is not the author of conflicting things. In their true nature and ideal functioning, Church and State acting within their boundaries can never conflict. We may here quote the words of Pope Leo XIII: "The Almighty has appointed the charge of the human race between two powers, the ecclesiastical and the civil, the one being set over divine, the other over human things. Each in its kind is supreme; each has fixed limits within which it is contained, limits which are defined by the nature and special object of the province of each, so that there is, we may say, an orbit traced out within which the action of each is brought into play by its own native right . . . Whatever, therefore, in things human is of sacred character, whatever belongs either of its nature or by reason of the end to which it is referred, to the salvation of souls, or to the worship of God, is subject to the power and judgment of the Church. Whatever is to be ranged under the civil and political order is rightly subject to the civil authority. Jesus Christ has Himself given command that What is Cesar's is to be rendered to Cesar, and that what belongs to God is to be rendered to God".<sup>1</sup>

<sup>1</sup> *Encycl. Immortale Dei*, pp. 7-8.



The State, while supreme in purely secular and temporal affairs, is ever subject to the rule of right morality and the requirements of the natural law. The State must give its own proper worship to Almighty God. Now, it is the Church, as a divinely instituted society, which can direct the State in these matters. Again, the Church must assist the State in promoting the spirit of justice and charity among people and rulers, guiding the latter in their great duty of working always for the peace and prosperity of their subjects. In its turn the State has to protect and assist the Church in fulfilling her duties among men.

134. **The Social Influence of the Church.** As Leo XIII writes, "it must not be supposed that the solicitude of the Church is so taken up with the spiritual concerns of her children as to neglect their temporal or earthly interests. Her desire is that the poor, for example, should rise above poverty and wretchedness and should better their condition in life; and for this she strives".<sup>1</sup>

The Church by right has the most important, prominent and influential place among social agencies. The Church alone, as we shall see in the second part of this book, holds ready answers to all *social questions* and a full solution to all the *social problems*. Pope Pius XI rightly declares in the Encyclical *Quadragesimo anno* "that the remedy for social evils is to be found only in the frank and sincere return of all men and States to the teaching of the Gospel; and that the Church exists to preach the Gospel and to bring its benefits to souls". The Church, above all existing societies, places God *first*, and recognizes Him as the supreme end and goal of all created activities. All created goods and all created institutions are viewed by the Church as instruments of a service that is ultimately the service of God. Even in matters that are purely economic and industrial, the Church has her place and her work. She tries always to better the condition of the working man; she preaches the only socially sound doctrine in point of property and the rights of the labourer; she defends the same doctrine of interdependence of *Capital* and *Labour*.

The Church has ever at heart the care of the poor; and by her societies and congregations she establishes means for their support, striving to spare their indigency, and to maintain them in honour as her most dear children and her treasure.

<sup>1</sup> Encycl. *Rerum Novarum*.



Thus we see that the Church has a truly indispensable function in earthly and temporal society.

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## PART II

# SOCIO-ECONOMIC RELATIONS

## GENERAL NOTIONS

Having treated in the First Part about the social relations which spring from the socio-political activities of men, we pass to examine man's *economic* relations, for economic activity is indispensable for human life.

135. **Economics and Sociology.** Sociology is concerned with the social happiness of man; hence sociologists are expected to know the economic condition of the country in order to busy themselves in the work of eradicating social evils, such as unemployment, abuses of capital, and the like. Hence the necessity of knowing some principles of Economics. As Economics, like all human activities, should be guided by moral precepts, so the need of Ethics to guide and elevate the economic activity of man. Economics in turn render valuable service to Ethics by clarifying the complex game of economic phenomena as regards capital and labour, legality of private ownership, the reason of profit and interest, and so on.

The main questions in socio-economic relations have reference to *production*, *distribution* and *exchange* of goods. Consequently this Second Part is divided into three chapters: In the first we shall discuss social problems, which are connected with the *agencies of production*; in the second, *the distribution of production* among the different elements which contribute to it will be examined; and in the third chapter we shall deal with the manner in which things and their equivalents are *exchanged* in commercial intercourse.

136. **Notion of Economics.** The classical definition runs thus: "Economics is the science of wealth". Wealth is usually called *valuable goods*, meaning all material things of however small value they may be, in as much as they satisfy the needs of man.

Goods are *produced* either by nature alone, or more often with the concurrence of man's resources, such as labour and capital. They are *distributed* among men under the form of profit, wages, interest, rent, etc. They are *exchanged* by transport and commercial operations.



Considering these three divisions of Economics, it may be defined more adequately: "Economics is the science which treats of the general principles of production, distribution and exchange of goods in their relation to social order". In this definitions *goods* are considered in their origin and in their development.

The term "goods", though usually applied to material things, is also applied less improperly to immaterial things, such as services and personal qualities, all of them being objects that enter, in fact, into the field of economics and take part in the production of material goods or are exchanged for them.

The words *in their relation to the social order* have been added in order to indicate the dependence of economic affairs on more general and higher aims, as well as to accentuate its economic-social character.

**137 Economic Goods.** The object of economics is valuable goods. Now, in economics those things are called valuable goods which are *limited in supply, useful and transferable*.

1). *Limited in supply or scarce.* Things cannot be called valuable unless they are *limited in supply*. If we have just as much of any substance as we want, then we shall not esteem a new supply of it. Thus the air around us is not wealth in ordinary circumstances, because we have only to open our mouths and we get as much as we need. In great tunnels, air becomes limited in supply, and a little more fresh air would be very valuable. The high value of precious metals chiefly arises from the fact that they are scarce, though scarcity alone will not create value. There are many scarce metals or minerals which are of little value.

2). *Useful.* In the second place, things which form a part of wealth must be *useful*, or have utility: that is to say, they must serve some purpose, or be agreeable and desirable in some way or other. Bread has a value, because it satisfies a spontaneous desire for a healthful food; postage stamps, because they satisfy the fancy of collectors; many famous drugs, because sick people imagine they find a remedy in them; opium, because those who are addicted to it become intoxicated with it.

3) *Transferable.* It is not necessary that it should be physically shifted, but at least the right to it should be transferable. For example, a house cannot be materially transferred, but the right to it can be (1).

(1) Cfr. Stanley Jevons, *Political Economy*, Chap. I.



A man's internal qualities and aptitudes (science of a philosopher, the skill of a surgeon) are not strictly wealth, because, although they may be a source of income, they are not transferable in themselves.

A commodity or wealth, in short, is anything which is really useful, and to a certain extent scarce, so that people will buy or sell it. *Usefulness and scarcity* are, therefore, the main characteristics of wealth. But we must bear in mind that not only goods, but also services, which are equally useful, can be called valuable goods (1).

**138. Human Needs are various** The end determines the reason of the things. The purpose and the end of the wealth produced is to satisfy the human needs, and these human needs from the reason of production. The satisfaction of human needs is the aim which commands the entire economic situation.

As the human needs are born and multiplied, so the possibility of satisfying them appears. Comfort, popular education, travel, correspondence, are needs practically little known to our ancestors. As soon as a new need is satisfied, some other need begins to be felt. The production of wealth or goods must correspond to this great variety of needs (2).

**139. Succession of Needs** It is easy to see that there is a natural order in our needs, and consequently in their importance. We must have food to eat, and if we cannot get anything else, we are glad to get some fruits; next we want meat, vegetables, sweets and other delicacies. Clothing is not on the whole so necessary as food; but when a man has plenty to eat, he begins to dress himself well. Next comes the question of housing; a mere hut is something better than nothing, but

(1) "To call production or wealth to material goods only, and to exclude economically valuable services, is a materialistic error which is part of the official doctrine in Russia; but it is also widespread elsewhere. People fall into this error by arguing that the producers of services consume part of the material product. This is true; but it only takes place because the producers of material goods do not wish to consume all their product, but prefer to exchange part of it for services" (*Property and Economic Progress* by Colin Clark, *Tablet*, 6th January, 1945).

(2) Charles Gide in his book "*Political Economy*", page 47, makes a fine distinction between a need and a desire. *Need* is the feeling of privation and the instinctive desire for an undetermined object which fills the want felt. *Desire* tends towards a determined object. It supposes a knowledge of the relationship between the object and the need. "*Ignoti nulla cupido*". I need to eat; I desire bread; I need independence; I desire the ownership of a piece of land, which will assure me independence.



the richer a man the larger the house he wants to live in; and lastly, comes the question of furniture, books, pictures and so forth. In this way we can lay down roughly a *law of succession of needs*.

**140. Value.** Economic value, in its most general sense, is the *importance of things in so far as they satisfy the needs of man*. The elements of value are three: *Needs* to be satisfied; the *goods* which satisfy the needs; and the *relation* of the goods to the needs. As stated before, valuable things must be *useful* and *scarce*: these two elements enhance the economic importance of the things. There is the *value in use*, which is mainly based on usefulness; and the *value in exchange*, which consists in the *importance of goods* which arises from the fact that they can be *exchanged for others*. It is commonly expressed by *market value*.

**141. Price.** Usually the value of things is measured by their price. The price is the amount of money which we give for a thing. When we give Rs. 60 for 10 yds. of carpet, the price is the proportion between the amount of money and the quantity we get for it. It is convenient to translate the value of things or goods into money, because we can then readily compare the value of one thing with that of any other. Price is *value expressed by money*.

**142. Money.** It may be said that money is both "*a measure of value and a means of exchange*". Anything which will be accepted readily as payment for goods and services, is a means of exchange. Standard money has usually the character of metal—gold or silver. As the exchange value of any metallic money is subject to fluctuations, it is not a perfect standard of measurement. In certain conditions and with safeguards, paper money may serve the same purpose.

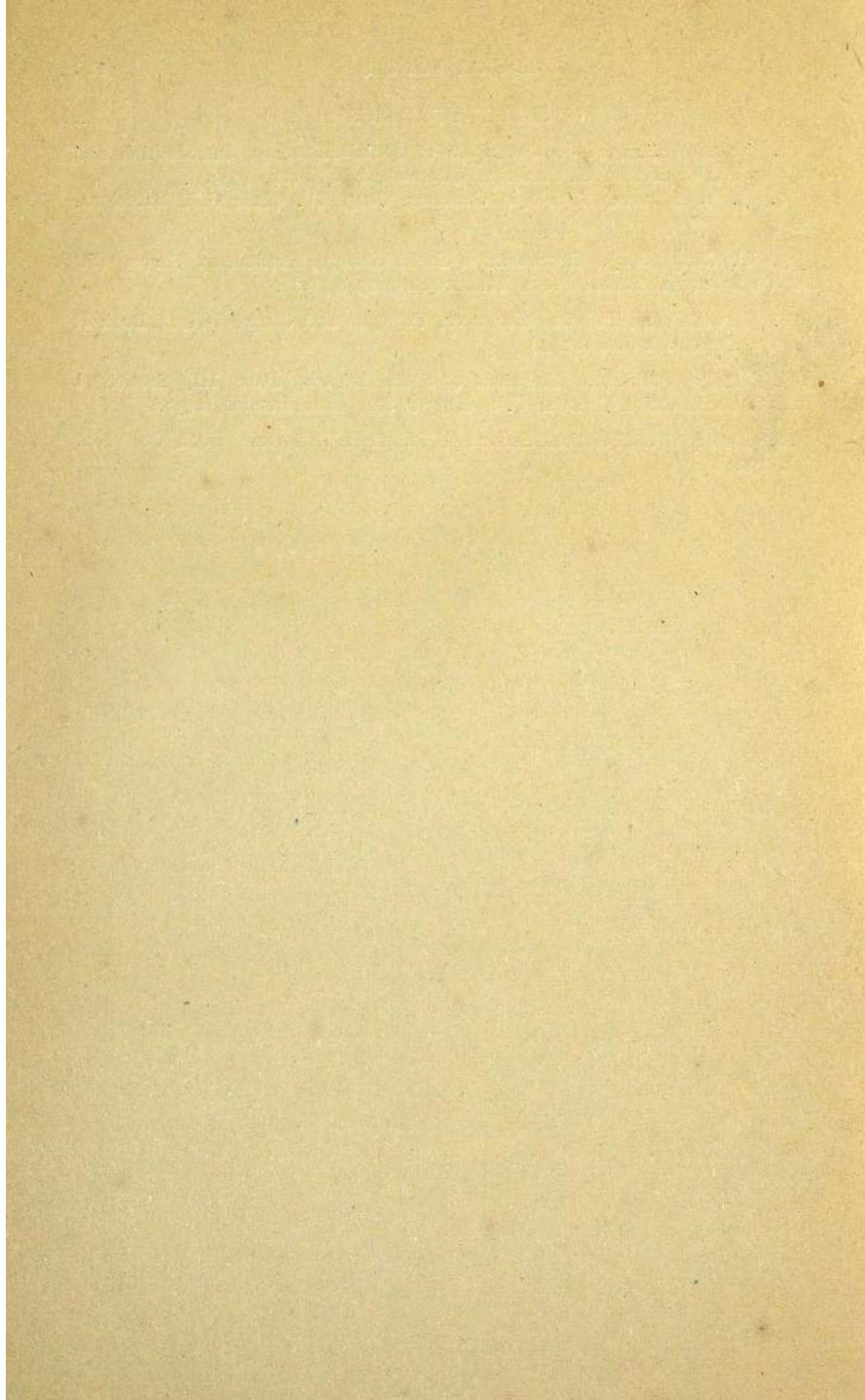
**143. Supply and Demand.** The value of things changes from time to time. The principal laws which govern values are called the laws of *supply* and *demand*. Supply means the quantity of goods people are willing to give in exchange for a certain value. Demand means similarly the quantity of goods people are willing to take in exchange.

The general laws of *supply* and *demand* can be thus stated: A rise of price tends to produce greater supply and less demand, while a fall of price tends to produce less supply and greater demand. Conversely, an increase of supply or a decrease of demand tend to lower the price, and a decrease of supply or an increase of demand to raise it.

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## CHAPTER I

## PRODUCTION.

144. **Definition.** Production can be defined in Economics as *the creation or addition of utilities or values*, because by the exercise of productive activity a new value comes into existence.

Needless to say that in economic production, the word "creation" is not taken to mean the creation of a new thing, but the rearrangement and combination of the already existing matter, and giving to it a form which has a greater value for human purposes than they possessed before: for example, when one gets made a piece of furniture out of wood. Whenever a new value or utility is obtained, there is economic production. So production in general consists, either 1) in *transforming* pre-existent elements (agricultural industries, manufacturing and mechanical industries), or 2) in *extracting* goods from nature and transporting them (extracting industries and transportation), or even, still in a broader sense, 3) in rendering the acquisition of the goods by *exchange* more easy (commerce), which, results in increasing the value of the products. The net product of enterprise comes from the transforming of less useful objects into more useful ones, or in the increase of utility given to the object by its transportation or its operation, which makes it valuable to those who need it.

145. **Division.** In any kind of production three elements or requisites are needed: 1) *Source of materials*; 2) *labour*; 3) *capital*. These three elements take part in big industries, in commercial enterprises, as well as in the case of smaller agricultural productions. Example: A family owns a plot of land (source of materials), works the land (labour), and while they work and wait for the harvest they live upon something (capital), and then they get the crop (production or wealth). So wealth is produced out of the proper combination of the above-mentioned three elements, of which we shall speak now in particular.

## ARTICLE I

## SOURCE OF MATERIALS

146. By *source of materials* we mean "all the materials and powers which are given by nature, and which man utilizes for wealth (production)". Nature is a veritable agent of production. Not only does she supply raw materials for production, but she brings also into production extremely varied and powerful forces. The productivity of nature is



evident on the examination of the natural resources necessary for production. Without natural resources man cannot produce. When we want to create wealth, we have to take hold of some plot of land, mine, etc., and draw forth the substance which is converted into wealth. It does not matter whether the materials come from the sea, land or air. But we cannot manufacture any goods unless we have matter to work upon. To make a pin we must get copper, zinc and tin out of mines; a ribbon requires the silk and the dye materials; everything that we touch and use, and eat, and drink, contains substance: so that we must always begin by finding a supply of the right sort of materials.

147. **Various Resources.** Resources are extremely varied:

- 1) *Materials* found in the soil, sub-soil, and the seas.
- 2) *Energies*: Solar light and heat, terrestrial heat, heat derived from combustibles, electricity, magnetism, vapour, gas, air and water in motion, muscular strength of animals, attraction, chemical forces, etc.
- 3) *Space* for habitation and development; routes of transportation: rivers, seas, valleys, air.

The great majority of resources, though well known, are not utilized; for example, lands that might be cultivated in Russia, Canada, South-America, Africa, Siberia, etc., and natural energies or forces, such as tides, solar heat, running water.

Even those countries relatively best developed are susceptible of new progress, for example: Agriculture in India.

148. *Resources unequally distributed.* All countries have not equally been blessed with the resources of nature; for some countries, such as Russia and U. S. A., have been especially favoured by nature in abundance with all sorts of natural wealth, for they have got in their soil and sub-soil most materials needed to make a country self-sufficient; while certain countries are particularly lacking in resources, as Greenland and Beluchistan.

Some countries as India, France and China are specially gifted with fertile soil and therefore fit for agriculture. On the contrary some other countries are distinguished by rich seams of mines of coal and iron like England and Germany which made them fit for industries.

149. **Machines.** Machines are powerful means to utilize and transform the natural forces for production. Machines are called those instruments which transform forces: Dynamo, steam engine, etc. Up to the

close of the eighteenth century the source of power for nearly all economic transformations was the strength of man, animals and the uncertain help of wind and water. Then steam and electricity were discovered, which enabled men to introduce all sorts of improvements.

The exceptional importance of machines lies precisely in the fact that they utilise *natural forces* in a measure incomparably greater than any other instrument.

The efficiency of machines, although limited, is truly prodigious. Examples: 1) In one factory 32,000 razor blades were made in 1931 while in the same time only 500 were made in 1913; 2) One man with semi-automatic machines replaces 25 skilled mechanics.

But the use of machinery is not the same in all fields. Machines produce textiles and other articles in great quantity, but they are less powerful in agriculture for increasing food. However, in agriculture two machines enable men to make use of trucks and transports in the fields.

150. *Objections against Machinery.* With the appearance of the machinery many serious evils have crept into society. But it cannot be affirmed that all those evils are precisely due to the introduction of the machinery. They are rather due to the abuse of the machine. The chief evils attributed to machine are: 1) overcrowding; 2) unemployment; and 3) capitalism.

1) Of all the evils which the use of the machinery has occasioned, at the expense of hygiene, personal independence and morality is the overcrowding, and it is the most real and the most difficult to cure. The most effective remedy against overcrowding is to scatter the houses of the working population. Good results may be secured also by building up well-situated and well-planned houses and even cities for labourers, and by providing gardens for the workers.

The use of electricity, by multiplying the number of industrial centres and by distributing electric power to great distances, doubtless, will help to break up these industrial agglomerations.

2) *Unemployment* has supplied the great argument against the machine, because it has displaced a great number of workers from their jobs. But after all, machinery has given employment to many more than it has thrown out. Witness the factories of iron and steel, tools, machine and engineering works, where many more workmen than before



are employed. Goods are cheapened by the machines, and purchasers have more money to expend. Machines have brought forth more goods of every kind, and along with them more money and employment.

3) True it is that machinery has been used to create wealth for personal interest of the employers: hence, the terrible evil of *capitalism*. Well, this evil, caused by machinery, could have been prevented, and a good result would have ensured for all, if the principle of brotherhood and a sense of equity in the distribution of the income from the factories had prevailed.

The abuse rather than the use of the machinery is the cause of these evils.

151. **Overpopulation.** In connection with resources some anxiety has been felt in some quarters concerning the future sustenance of mankind. Malthus (1766-1834) had already concluded that the number of inhabitants on this planet should be limited on the score of the *overpopulation*. His theory was that time would come when population would exceed the means of subsistence for a comfortable living, despite such checks as war, pestilence, famine and disease. To avert disaster to the human race, he advocated self-discipline in married life, hence ultimately less mouths to feed. Robert Malthus, in his essay on the *Principle of Population*, calculated from the tendencies of his time that population was increasing in geometric progression, whereas production of economic goods increased only in arithmetic progression.

It is to be noted, however, that the developments of new lands, the discovery of new food products, scientific methods of production, and large-scale operations with their elimination of waste, have successfully checked any tendency toward overpopulation at present. Indeed, many countries show now fear of under-population rather than the opposite (1).

Besides, it is important to form a clear idea of the word *overpopulation*. Often, countries, whose relative population exceeds the average of that of other countries, are said to be overpopulated. This is incorrect. A territory is overpopulated only when its inhabitants cannot exist by using the resources found in the territory and those which may be obtained from without. European countries, for example, in

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(1) The decrease of population is noticeable everywhere in Western countries. It is large in Belgium, Holland and Great Britain. It is enormous in France.

spite of their high population, are not overpopulated. They are less now than they were one century ago, for their standard of life is much higher now than a century ago (1).

### NOTE ON SOURCES OF MATERIALS OF INDIA

152. In the opinion of the Industrial Commission (1918), the mineral deposits of India are sufficient to maintain most of the key industries in the country. Up to the last quarter of the XIX century, practically nothing had been done for their development. Subsequent investigations, however, have led to the discovery and to the opening up of many kinds of mineral deposits which make possible the rise of a number of different modern industries in the country. The recent development of transport system, the industries started in connection with the World War II, have developed greatly the industrial resources of India.

Indian mineral wealth covers a wide range, including coal, iron, manganese, gold, petroleum, saltpetre and salt. The mineral deposits are not yet fully exploited. Coal, iron ore, and oil are perhaps the most important minerals in modern industrial life. Indian coal is, however, unevenly distributed. There are rich iron ore deposits in Bihar and Orissa, and the iron and steel industry has a bright future before it.

Another important mineral is salt, which has four main sources: sea salt, rock salt, brine salt and salt brine. In respect of salt, India may be expected in the future to become largely self-sufficient.

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(1) The total population of India (excluding Burma and Pakistan) is more than 335 millions (1948). The average density of India is more than 200 per square mile—much greater density than the population of Europe. The population is increasing at the rate of 5 millions a year. India can be considered as an overpopulated country, at least in the sense that her population is much higher than what the country can support at present in decent comfort; but it is discussed by the economists whether the increase of the production does keep pace with the increase of the population or not. Strenuous efforts are being made by Indian economists to expedite all-round economic progress to facilitate the solution of this problem of overpopulation. Many economists are likely to favour the artificial checking of the birth to restrict the increase of the population; but this is a very unwise and unhealthy remedy. The most healthy solution to check overpopulation is economic production, as the one proposed by the so-called Bombay Plan. (Cfr. *The New Review*, April 1948, p. 396).



India's *vegetable resources* are rich and varied. She produces food crops, such as rice, wheat, millets, sugar-cane, and commercial crops as spices, tea, oil-seeds, coffee, cotton, jute, rubber, etc.

The *forest resources* are a great national asset, the forest area accounting for one-fifth of the total territory. The main forest products are timber, firewood, bamboos, lac and tanning materials.

*Animals*, especially domestic animals, like cows, buffaloes, bullocks, goats and sheep play a valuable part in the economy of an agricultural country like India.

Although several *sources of power*, such as coal, wood fuel, oil and alcohol exist, the greatest promise is held out by *hydro-electric power* schemes, several of which are operating in the Western Ghats, Mysore, Punjab, Madras and Travancore.

Though the national resources of India are considerable, the greatest part of these, however, remains still undeveloped. Not without reason, India is often described as *a rich country inhabited by poor people*.

*Note:* "Partition of India has disturbed or rather destroyed tendencies and forces towards this self-sufficiency. The territories in India have the advantage in industrial machineries, equipment, factories, etc., and in some minerals like coal, iron, mica, manganese, etc. But India is deficient in food grains, raw materials like jute, quality cotton, etc. As for example the Indian dominion possesses 100% of the jute mills and only 20% of the raw jute of undivided India. This fact makes the jute mills in India dependent on supply of raw jute from Pakistan. To a lesser degree, there is a similar exigency for our cotton mills. Pakistan has enough food and raw materials but she has no industries worth the name. She has to depend on India for such important commodities as coal, iron and steel, cement, cloth, sugar, aluminium, etc. Partition might have put India into two water-tight compartments politically, but the fact of economic interdependence remains and will remain unless disturbed by ultra-nationalistic activities and policies in the two Dominions". (*Nalanda Year Book & Who's Who In India* Special Edition, 1947-48, page. 380).

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## ARTICLE II

## LABOUR

## A. General Notions

153. **Necessity of Labour.** Labour is the second and most necessary element of production. Natural agents alone do not produce wealth. A man would certainly perish in a most fertile land, if he did not trouble himself in appropriating things around him. Fruits growing on trees must be plucked before they become wealth: that is to say, a certain amount of labour is needed, if we wish to have regular supplies of food, comfortable clothes and houses.

We could add that the amount of production *depends far more upon labour* than upon the abundance of resources of materials (1). For example, America is a very rich land, containing plenty of fine soil, seams of coal, veins of metal. Everything needed in the way of materials is there; yet the American natives lived in that land for hundreds of years in great poverty, because of want of knowledge and perseverance in labouring properly and producing wealth out of natural agents.

The fundamental error of the "physiocrats", French economists of the XVIII century, was to hold that only natural forces (agriculture) were capable of true production; they ignored the industrial forces, and naturally concluded that agriculture alone gave a net product. They failed to realise that without labour the treasures and mines below the soil remained unused. If, on the other hand, we look at capital as compared with labour, we see that it is an element purely passive and wholly dependent upon intelligent labour. Labour, therefore, holds a place of eminence in the presence of other factors.

154. **Definition.** *Labour is human activity which is ordained to produce wealth.* The activity we exercise in games and in purely spiritual things is human activity; but since it is not intended to produce material utility, it cannot be called *labour* properly speaking.

In a wide sense, however, we may call labour, the rendering of all those services which are customarily exchanged for money, such as the services of the school master or doctor as well as those of public functionaries, like judges, lawyers, public officials, police, etc.

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(1) As Boudrillart puts it: "If out of a pocket watch we take away all the transformations done by labour in successive stages, it would remain a few grains of minerals hidden in the earth".



Labour has many classifications:

1. *Intellectual* labour is the mental activity ordained to the production.
2. *Physical* labour is the physical human effort ordained to production.

Both kinds of labour can be employed in industry, agriculture, commerce, etc.

Physical force, intelligence, and duty are characteristic gifts of man. They may be conceived as apart, but they cannot be separated in fact. The duty to work was imposed by God on man from the very beginning: "God took man, and put him into the paradise of pleasure to dress it and to keep it". For Christians, then, all labour, unless vitiated in its purpose, is honourable and meritorious (1) To despise labour or to feel ashamed of it is anti-social and pagan. "In the sweat of thy brow thou shalt eat thy bread" is a physical, no less than a moral commandment.

**155. Efficacy of Labour.** The efficiency of labour depends upon several factors: (2) Standard of health, and technical education.

1. *Standard of health.* In order that the worker should render sufficient productive activity, he must enjoy sound health, which in turn supposes an adequate private income and an efficient organization of public health and sanitation. No amount of individual effort alone will ward off disease. A pure water supply, a good system of compulsory vaccination, etc., are matters of public regulations.

2. *Technical education.* Labour in modern times becomes fruitful in proportion that it becomes intelligent: hence it is important that in every country much care should be taken to look after the professional

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(1) In this country a great enemy to work is found in prejudices and in mistaken notions of dignity. It is amazing that such vital subjects as agriculture, hygiene, surgery, obstetrics, veterinary science and commerce attract so few disciples. "We don't care to be coolies," say the majority when they find that the study of agriculture demands familiarity with soil and crops. And yet the country is mainly agricultural. What most graduates desire is a Government job, where in 95 cases out of 100, they lose independence, initiative, spirit of healthy progress. This state of affairs is traceable to the influence of the caste system.

(2) Countries such as England and Germany, which depend to a large extent upon manufacturing industries for their income, are most interested in perfecting their workmen for producing finished products.

training of workmen of all types. Each individual should advance as far as possible and keep up his education and his professional training <sup>(1)</sup>.

In this connection it can be stated that the productivity of *physical labour* is small, while that of *intellectual labour* is immense.

Suppress, for instance, the work of an inventor like Edison, the constructive ability of the architect, of the engineer, of the contractor, and the ability and the authority of a director, and we are sure to feel the importance of intellectual labour in production.

Physical labour is attached to matter; it cannot be carried on in two places at the same time; it must be integrally repeated to produce results. But intellectual labour discovers, combines, directs; it has the prerogative of intelligence, "its effects are unlimited in time and space". An invention, a combination or organisation, when once applied, spreads its results indefinitely. Hence the reason why intellectual labour should be better remunerated than mere physical labour.

**156. Utility of Science.** In order that the worker may employ his labour to the best advantage, it is necessary that, besides being skilful and clever in hand-work, he should also be guided by a scientific knowledge of the things with which he is dealing. Knowledge consists, to a great extent, in understanding the *root* and the *causes of things*. Thus the steam-engine is due to the discovery that, if heat be applied to water, the result is steam expanding with "force"; so it can be said that coal, boiler and water are causes of "forces". Any worker, therefore, should begin by learning, if possible, what are the causes which will produce his work more easily and more abundantly. Knowledge saves labour.

**157. Labour Resources.** Since labour is the principal agent of production, it can be said that the labourers are the first source of wealth in a country: hence the first attention of a country should be to care and develop its resources in the form of labourers, upon whose abundance and vigour depend the possibilities of production. An abundant population is the most efficient factor in the prosperity of a country.

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(1) For rapid and intensive industrialization of India skilled labour and technicians are badly needed. In this age of automatic machinery those things are absolutely essential. But in India unskilled labour is superabundant, and natural resources too are plentiful. Capital, notwithstanding its traditional shyness, is not lacking at the present moment.



The saying of the economists remains true: "There is no strength and no wealth, except in men" <sup>(1)</sup>.

## B. Division of Labour

**158. How Division of Labour arises.** Division of labour is found in all civilized countries, and more or less in all stages of society. For in every society the needs are various, and a man is not able to know and to do every kind of work. We have a typical example of division of labour in the caste-system of India where every caste is concerned only with a particular kind of work.

In modern times the division of labour is immensely complicated. In modern industries we find the manager, the chief clerk, the foreman, the time-keeper, the common labourers, porters, etc. As many as ten thousand different jobs are enumerated in industrial countries.

**159. Advantages of Division of Labour.** The division of labour helps production in three main ways: 1) By increasing dexterity in every particular worker; 2) by saving time which is commonly lost in passing from one kind of work to another; 3) by perfecting machines through inventions.

1) There can be no doubt as to the increase of dexterity which arises from the *specialization* in a particular work. Nobody could possibly do the work of a carpenter without long practice. Everything that we see well and quickly made, has been made by men who have spent a great deal of time and trouble in learning and practising the work.

Adam Smith states that, if a blacksmith were to make nails off-hand without any practice, he would not be able to make more than 200 or 300 nails in a day; with a deal of practice he might make 800 or 1,000; but a boy who knows nailer's trade can turn out 2,500 nails within that time.

2) There is a great deal of time lost when a man changes from one kind of work to another. In order to be an efficient worker, one must have practice in it and must be constant in it without any change of the place.

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<sup>(1)</sup> The question of population actually takes a menacing aspect for the greater part of European countries. Birth control hastens the arrest of the increase of population, which is a prelude to decadence.

3) The division of labour greatly assists invention, because it enables each labourer to adopt particular kind of machinery for the particular purpose of his work, thus enabling ingenious men to make inventions in the professions in which they the specialized <sup>(1)</sup>.

160. **Disadvantages of Division of Labour.** There are, however, some evils that have arisen out of the great division of labour in civilized countries. These evils are on no account to be compared with the benefits which we receive from it; still it is well to notice them:

1) In the first place, division of labour *tends to make a man's power narrow and restricted*. He does one kind of work so constantly, that he has no chance to learn and practise other kinds of work. A man often becomes, as it were, worth only "the tenth part of a pin", that is to say, there are men who know only how to make the head of a pin <sup>(2)</sup>.

2) *It leads also to unemployment*. If the worker loses the only work he knows, it will be very difficult for him to find suitable work. The adaptation of a workman to other trades or to other branches with which he is unacquainted, is not an easy thing. In all cases, the technique of the division of labour, being carried on in the greater number of industries, becomes more complicated. Each worker learns to supply only a particular kind of goods; and if change of fashion or any other cause leads to unemployment, the worker is left in poverty, until he can learn another trade or find the same kind of employment <sup>(3)</sup>.

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<sup>(1)</sup> Such were James Watt, the steam engine inventor, and Arkwright, Crompton and Hargreaves, inventors of textile machines.

<sup>(2)</sup> J. M. Llovera notes: "Due to the division of labour the industries have advanced very fast, but the artisans have gone backwards" (*Sociologia Christiana*, p. 177).

<sup>(3)</sup> Indian labour is generally regarded as much less efficient than European labour. This inferiority of Indian labour, though often exaggerated, is admitted by Indian economists themselves. This explains how the raw materials taken to Japan, England and other countries from India, are returned to India as manufactured goods and sold out here at lower prices than similar goods manufactured by Indian Labour. As regards the causes of this inefficiency we can mention here three: 1) Climatic conditions; 2) poor physique of the average Indian; and 3) the migratory character of Indian Labour.

1) It is a well-known fact that climatic conditions of the tropical India are generally adverse to high labour efficiency, and it prevents long strenuous labour without constitutional breakdown. Climate is a thing which we cannot remedy; but the shorter the hours of work, the comparison with Western work will stand on a more equal level.



161. **Scientific Organization of Labour and Taylor's system.** The productivity of labour depends greatly upon the scientific organization or "concert" of the same. This concert or organization may vary from extreme simplicity to extreme complexity. Thus when two men pull a rope or lift a stone together, their concert is extremely simple, while the organization of textile factories is complicated; for in such factories innumerable persons, mostly totally unknown to each other, act in concert, doing different things at different times and at different places.

The great advantages of concerted labour is the great efficiency of production, which depends on its organization almost as much as on the capacity of the hand or on the individual skill of the workers.

162 **Taylor's System.** Taylor is an American engineer, the author of *The method of scientific organization and management*, which became widely known in America in the beginning of the present century. Taylor aimed at securing the greatest returns with the least waste of time, expenses and with the least effort. His main idea as principle is: "Of the twenty different ways of placing the machinery, raw materials, and accessories for the use of the personnel, there is one superior to the others in economy, order, and rapidity of operation; of twenty ways of performing a task, there is one which, for the same expenditure of energy and attention, gives better results, etc."

Taylor set about methodically to research in this field, and endeavoured continually to apply and perfect his plans. This method applied by Taylor to the Bethlehem Steel Co., gave the following results:

	Before Taylor		After Taylor	
Average earning per day per man	...	\$ 1.15	...	\$ 1.88
Average No. of tons handled per day per man		16	...	57
Average cost for handling a ton	\$	0.072	\$	0.033
Total cost of handling 924,040 tons	...	\$ 67,215.47	...	\$ 30,797.78

Here are a few examples in detail: The assistant who loaded in one day from 250 to 300 bars of pig iron, now loaded more than 1,000; the brick-layers who

2) It is undoubtedly a fact that the physique of the average Indian worker is inferior to that of an average European worker. This may be due especially to two causes: a) the ravages of disease and b) a poor dietary.

3) As to the migratory character of the Indian Labour we must state that the factory labourers in India do not constitute a wage-earning class corresponding to the factory labourers in Western countries. In Europe and America the labourers form on the whole a permanent class of purely industrial workers, and so they get a complete mastery of their jobs. The Indian factory labourers come from villages, and they always maintain their connection with the village where usually their families live. The labourers do not develop any permanent interest in their employment in the city and change easily also of employment, never attaining the necessary skill to make his work sufficiently efficient. (Cfr. Whitley, *Labour Commission Report*, p. 4.)

formerly laid 120 bricks, now laid 300; the woman who at one time tested 1,000 ball bearings for bicycles in one day, now tested 3,500 and with only two-thirds as many errors.

The application of this method certainly would have increased the productivity of the workers immensely <sup>(1)</sup>.

The general principle of the method of Taylor seems particularly good and cannot be over-recommended. It calls, however, for a remark of sociological order. It attributes too much importance to the economic aspect of man and not enough to the human element. A sad, discontented labourer, laden with too intensive cares, will not work as the tranquil and happy content man does. Hence the importance, even from the simple point of view of production, of "sanitation" in factories, of "social workers" organized by the enterprises. As the Americans say, "social work pays". Modern heads of enterprise would do well, therefore, to take more into consideration the human and social preoccupations of labour.

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### ARTICLE III

## LABOUR ORGANIZATIONS AND STRIKES

### A. Trade-Unionism

**163. Historic Sketch.** The trade corporations which flourished in Europe during the Middle Ages, gradually became obsolete during the Industrial Revolution, mainly because they failed to adapt themselves to the new economic conditions. They disappeared in a world of

<sup>(1)</sup> Taylor F. W., *The method of scientific organisation and management*.



whirling machinery, crowded factories free competition, but specially when the *labour was separated from the capital*. French Revolution not only suppressed them, but even refused to recognise the principle of professional associations (<sup>1</sup>).

As contrasted with the Middle Ages guilds, modern *Trade Unions* are a combination of wage-earners to maintain or improve the condition of the workers. Trade Unions first began in England between 1780 and 1800, specially after domestic system gave way to the factory system. Under factory system the relations between employers and workers tended to become cold-blooded and impersonal; for usually the employers did not even know the workers personally. And workers soon came to realise their position, and appreciated the need of organizing themselves for their common interest.

The *Trade Unions* were in fact organized, but immediately encountered opposition. The English Parliament under the influence of the employers declared Trade Unions illegal (1800). But agitation by Trade Union leaders induced the Parliament to legalize workers' associations (1825). In France it was illegal until 1865; in Germany, until 1869. In recent years Trade Unions in England as well as in the Continent have made great progress. In 1947 in England alone Trade Unions enrolled more than eight million members. By sending their representatives to the Parliament they are exercising decisive influence on labour legislation (<sup>2</sup>).

Early in the 19th century Trade Unions were started in the Continent of Europe and in the United States, where workers' associations flourish now. They are modelled mostly upon British organizations, but do not equal them in influence and wealth. In general, Continental workers rely for improvement more upon State's action than upon collective bargaining with the employers (<sup>3</sup>).

164. **The Purpose of Trade Unions.** A Trade Union is "an association of workmen who band together to maintain or improve their

(<sup>1</sup>) Cfr. above, Part I, chap. 3, art. 2, pag. 52-54.

(<sup>2</sup>) As Mgr. H. Parkinson says, "the history of the slow recognition in our day of this bygone liberty is sad reading. Suffice it to say that the right to form a society is as radical as the right to establish a State" (*Primer of Social Science*, page 89).

(<sup>3</sup>) Cfr. *A Survey of Sociology* by E. J. Ross, Chap. XIII; *Medieval and Modern History* by Hutton Wester, pag. 663-664.

working conditions''. There are many kinds of working men organizations, but the aims of all of them are:

1. To protect workers from the employer's monopoly and abuses.
2. To better the condition of the workers by enforcing reasonable working hours and by maintaining wages at a fair competitive rate, so that the worker is not forced to make unjust contracts through fear of competition or through ignorance of actual labour-contract conditions.
3. To promote the insurance of its members against sickness, death and unemployment. As a condition of membership such members pay the Union a small sum.

165. **Advantages and Disadvantages of Trade Unions.** The chief *advantages* of Trade Unions are:

1. The great bargaining power. When the individual workers cannot meet effectively the employer on more equal grounds, the Workers' Unions can effect to get just wages, reasonable hours, hygienic conditions, etc....

2. Where Trade Unions are strong, even the employers are protected from the competition of other employers who treat their workers unfairly, since all the employers will be compelled to pay the same wages.

3. Trade Unions furnish the machinery through which the employer and employee may cultivate some kind of understanding and obtain a clearer insight into their mutual problems. As a matter of fact Unions lead labourers to study by themselves or through their delegates industrial conditions, to present their claims, to get a clearer idea of possible progress. It can be stated in support of this observation, that in all countries the most moderate socialists are those who are members of Unions.

*The disadvantages.* Needless to say that the advantages of Trade Unions far exceed the disadvantages; yet these too must be noted:

1. Trade Unions have often been the cause of increased hostility between workers and employers, instead of working in co-operation toward a greater production.

2. In some instances Trade Unionism has led to a labour monopoly as bad as that of capital, and has resulted in unjust and unreasonable demands by workers from employers.

3. The interests of the general public are often disregarded to enforce their demands.



In general, however, it may be said that the organizing of all workers in Trade Unions in no way constitutes a labour monopoly, because it by no means excludes the many for the benefit of the few. The disadvantages just enumerated largely disappear where trades-unionists remember that excesses of all kinds are to be avoided, and that the workers must be satisfied with fair wages adequate to an honest day's work. The Church approves of labour unions and defends the right and necessity of the workers to organize to secure their welfare. Pope Leo XIII writes: "We may lay it down as a general and lasting law that working men's associations should be so organized and governed as to furnish the best and most suitable means for attaining what is aimed at; that is to say, for helping each individual member to better his conditions to the utmost in body, mind and property". (1).

166. **Catholic Workers and Trade Unions** In order that Trade Unions should achieve their object and produce lasting good, their outlook and their various activities must be impregnated with true Christian spirit. "Unionism", as Dr. Ketteler said, "is not merely legitimate in itself; Christianity alone commands the indispensable elements for directing it properly and making it a real and lasting benefit to the working classes. Just as the great truths which uplift and educate the working man, his individuality and personality, are Christian truths, so also Christianity has the great ideas and living forces capable of imparting life and vigour to the working men's associations." (2).

Since most Trade Unions are not inspired with Catholic spirit, Catholic workers are often faced with the alternatives of joining Unions which are managed according to the principles which run counter to Christian teachings and the public good, or exposed themselves to many privations. Now, what must be the attitude of the loyal Catholic workers to such Unions?

The Pope Leo XIII, as well as Pius XI, in their encyclicals earnestly admonish the Catholic workers to form exclusive union for the Catholics to preserve faith and religious principles in their social activities. Leo XIII tells them:

"Let our associations, then, look first and before all to God; let religious instruction have therein a foremost place, each being careful that what is his duty to God, what to believe, what to hope for, and how to

(1) Encycl. *Rerum Novarum*.

(2) G. Metlake, *Christian Social Reform*, Chap. X. Art. 4.



work out his salvation; and let all be warned and fortified with special solicitude against wrong opinions and false teaching. Let the working man be urged and led to the worship of God, to the earnest practice of religion, and, among other things, to the sanctification of Sunday and festivals" (1).

After forty years Pius XI summarises the result of the work of these Catholic Unions when he says: "Eager to carry out to the full the programme of Leo XIII, the clergy and many of laity devoted themselves everywhere with admirable zeal to the creation of such unions, which in turn became instrumental in building up a body of truly Christian working men. These happily combined the successful playing of their trade with deep religious convictions; they learned to defend their temporal rights and interests energetically and efficiently, retaining at the same time a due respect for justice and a sincere desire for collaboration with the other classes. Thus they prepared the way for a Christian renewal of the whole social life" (2).

It must be said to the credit of the Catholic workers that their Unions, though inferior in number to the organization of socialists, have already mustered an imposing body of working men able to maintain successfully the rights and interests of Catholic labourers and to assert the saving principles on which Christian society is based.

**167. Circumstances exempting Workers from Christian Unions**  
The necessity from the religious point of view of grouping Catholic labourers by themselves at the exclusion of other Christians, like Protestants, was admitted on principle by the Sovereign Pontiff Pius X in connection with German Catholic workers.

Pius XI, however, recognizing that such Unions are sometimes impossible, tells the Catholic workers that, "where there appears no danger for religion" (3), Bishops may permit Catholic working men to join *neutral* associations.

There are some Trade Unions, specially in Latin countries, which are really *anti-catholic* in their views and throw their influence into scale against religion. No Catholic worker may join them; and, if he has already joined, he must cease to be a member.

(1) Encycl. *Rerum Novarum*.

(2) Encycl. *Quadragesimo anno*.

(3) Encycl. *Quadragesimo anno*.



On the contrary there are *neutral* Unions which neither favour nor oppose the Church. They simply do not take her teaching into account and treat her as if she did not exist. Now, may a Catholic become member of such a Union?

If there is no Catholic Union at hand, the Catholic workers may join them on certain conditions stated in detail by Pius XI:

"Under such circumstances they (the Catholic workers) seem to have no choice but to enroll themselves in neutral Trade Unions. These, however, must always respect justice and equity, and leave to their Catholic members full freedom to follow the dictates of their conscience, and to obey the precepts of the Church. It belongs to the Bishops to approve of Catholic workmen joining these Unions, where they judge that circumstances render it necessary, and there appears no danger for religion.

"Among the precautions, the first and most important is that, side by side with these Trade Unions, *there must always be associations* which aim at giving their members a thorough religious and moral training, that these in turn may impart to the labour unions to which they belong their upright spirit which should direct their conduct. Thus will these associations exert a beneficent influence far beyond the ranks of their own members" (1).

In the United States and in England, with few exceptions, Trade Unions are of such a character that Catholics need not hesitate to join them, according to the episcopal declaration of those two countries.

**168. Application to India** India can be taken as one of the countries where Catholic workers may be considered as coming under the exception admitted by Sovereign Pontiffs in regard to purely Catholic associations. In the first place the number of Catholics is so small in industrial centres that they may not be able to form separate Unions to influence others effectively in social matters. Besides, the denominational Union may stir up the bias of communal spirit which is in itself the cancer of social life here.

It belongs to the Hierarchy and the clergy to advise what is best in particular circumstances. Moreover, India is so vast a country that what is advisable for Cochin and Alleppey may not be for Calcutta.

(1) *Encycl. Quadragesimo anno.*

Among several kinds of Trade Unions (Sabhas), there are some under definite anti-catholic leadership (Communist, Atheist) which stand for aims that are irreconcilable with Catholic principles. Such are the All-India Trade Union Congress (A.I.T.U.C.), the Indian Federation of Labour (I.F.L.), the All-Indian Kisan Sabha (A.I.K.S.) all of which are under Communistic domination.

The Congress has formed its own Trade Union (Indian National Trade Union Congress) in opposition to the Communistic organizations. It is quite probable the Ordinaries in many a diocese of India will think advisable to allow Catholic workers to join the Congress and other similar Trade Unions (Cfr. *Catholic Bishop's Conference of India*, 1945, p. 13).

## B. Labour Legislation

169. **Historic Process.** Working classes were first denied by the State the right to form Unions (1825). But later their lot improved not only through the activities of Trade Unions, but also by *legislation*, the crowded factories were unsanitary, hours of work were too long, wages were on the starvation level, the use of machinery encouraged the employment of women and children, and thus a need for Government regulation of industrial work very soon became apparent.

These evils naturally were most prominent in England, and in those countries where Industrial Revolution began first. The capitalists declared that the State should not interfere in labour problems. Yet, there were among the employers who felt that State ought to protect those who could not protect themselves.

Later on (1900) most European countries introduced *Labour Legislation* for the protection of the industrial workers. Now the State restricts more or less effectively many things, for instance, children's employment, in order that they may not be deprived of the benefits of education. It fixes the hours of labour, not only of children and women, but also of men. Recent legislation in many countries has gone so far as to fix a minimum wage for the workers, and yearly two-week holiday with pay.

But it is not our purpose here to make an analysis of the Labour legislation of the different countries. Our main purpose is to examine the *principles* on which such a legislation should be based, which will be explained here.



**170. Objection to Labour Legislation.** The Economic Liberalism of the XIXth century objected to the intervention of the State in economic matters and social affairs. It was held that individual as well as social units should be *free* and move without any State interference. The State must not take them under its protection. All intervention of the State was supposed to be against the sacred rights of freedom of the citizens and social institutions. Regarding labour legislation it was added: If isolated individuals consider themselves too weak, let them unite in associations; but let the State limit itself to a *laissez faire* attitude, and thus maintain economic freedom.

Catholic Sociology meets this objection as follows: "The State, the guardian of justice and of the Commonweal, should take positive action in economic life.

"This action relates in the first place to the protection of human life. With this higher purpose is connected protective legislation for labour, limiting the length of the working day, forbidding night work, providing for Sunday, hygiene, and security of employment.

"The State can also rightly take the means which are in its power to ensure justice and good faith in business" <sup>(1)</sup>.

In the light of the above principles we may state: 1. That in any conflict between workers and employers it is desirable that it should be settled among themselves without interference of the State. It is preferable the spontaneous effort of the individual in solving social problems to any action taken by authority. The mission of the State is to supplement the private initiative without discouraging and lessening it.

2. That liberty should be restricted when the abuses are great and when the weak (in the present case, the workers) comes into conflict with the strong (employers).

The memorable words of Lacordaire express a noble truth: "Between the strong and the weak, between the rich and the poor, between the master and the servant, it is liberty which oppresses and the law which liberates". From thence have arisen the laws governing labour.

3. Liberty should be repressed when its claims are injurious to others or compromise the public well being. Hence the abuses of the worker Unions, for instance, illegitimate strikes, should be curtailed by the State.

<sup>(1)</sup> *A Code of Social Principles*, Chap. 2.



**171. International Labour** One of the immediate effects of social legislation is to moderate competition by making uniform some of the conditions of labour, such as the duration of work, system of paying, indemnity for accidents, employment of women and children. But the action of social laws ends at the frontier of the country which enacts them, while competition is international. Countries which increase their social obligations and raise their cost-prices place themselves at a disadvantage in relation to their more cautious rivals.

Moreover, the status of *foreign* labour must include provisions for the applications of the social laws of each country; for example, accidents, indemnity pensions, etc. In the same way it would be good, and even necessary, to obtain from different countries a parallel development in the way of social reforms.

**172. The League of Nations.** One of the Statutes of the Treaty of Versailles was the establishment of the League of Nations to foster the International co-operation of the different countries of the world to promote peace and prevent war. Whatever has been the success of this League in political sphere, statesmen are unanimous in admitting that it has contributed a great deal to the international Labour legislation. In the Treaty of Versailles a declaration of principles was inserted relative to the organization of labour, and a stable organization was created for the advancement of international labour. This organization includes a *General Conference* composed of delegates from the States or countries belonging to the League of Nations, and an *International Labour Bureau* which was set up at Geneva to centralise and publish all information relative to the international regulations of labour. This information of the labour conditions in different countries in the world has greatly contributed to make the labour legislation more satisfactory, especially in backward countries. <sup>(1)</sup>.

## NOTE ON LABOUR UNIONS AND LEGISLATION IN INDIA

**173. Labour Unions** It may be worth while at this juncture to survey briefly the labour movement and laws actually enacted in this country to improve the condition of the workers. With the industrialization of the towns and with the steady progress of long-scale modern industries, labour problems, as understood in the West, are gradually

<sup>(1)</sup> Cfr. *Principles of Social Economy* by Valere Fallon, Section III Chap. V.



coming into prominence in India. But since industrial centres are relatively few, the labour problem is not so acute as in the West.

Messrs. Purcell and Hallsworth, British Trade Union delegates to India, calculated that there were in all 25,266,109 persons in the organizable groups of workers (including 21,676,107 in agricultural field and farm labourers, but excluding domestic servants and Postal Government Office employees) in the various industries of India. <sup>(1)</sup> But as a matter of fact there are few Indian workers belonging to the properly organized Trade Unions.

The Trade Unions claimed in December, 1929, that it represented organized workers numbering 189,436. Trade Unionism has met with comparatively greater success among the railway workers; but, on the whole, it is weak, specially in the great organized textile and mining industries. It is to be noted that there is a great tendency among these Unions to socialism and communism <sup>(2)</sup>.

Year	Trade Unions	Membership
1936-37	262	257,308
1937-38	420	390,112
1938-39	555	399,159
1939-40	667	511,138
1940-41	711	513,832
1942-43	693	685,299
1943-44	818	780,967
1944-45	865	889,388

Nalanda Year Book 1947-48, pag. 222. <sup>(3)</sup>

#### ALL-INDIA TRADE UNION CONGRESS.

The annual session at Madras of the All India Trade Union Congress in 1945 presided over by the Communist Qurban claimed 415 affiliated unions and an aggregate membership of 470,000 <sup>(4)</sup>.

The Calcutta session of 1947 showed a considerable increase in the membership of the organisation. The affiliated unions had risen to 600 and the membership to 730,000 <sup>(5)</sup>.

<sup>(1)</sup> Cfr. *Report on Labour Condition in India*, 1928, p. 15.

<sup>(2)</sup> The Indian Trade Union movement has gone stronger and stronger during the last few years and is growing quietly.

<sup>(3)</sup> In April 1948 the membership of Trade Unions had reached to 1,250,000.

<sup>(4)</sup> *Peoples' Age*, March 15, 1947.

<sup>(5)</sup> *Peoples' Age*, March 15, 1947.

The Communist influence has increased as is evidenced by the election of the Veteran Communist E. A. Donge as president.

Though the All-India Trade Union Congress has now a surprising number in membership, it cannot be said that has absorbed the whole field of labour, because its number is insignificant when compared to the total industrial labour population of India <sup>(1)</sup>.

### INDIA FEDERATION OF LABOUR.

It is another All-India organization of labour. It was organised by M. N. Roy, and J. Methra in 1940. The All-India Trade Union Congress passed a resolution of neutrality in connection with the war effort. It is now a powerful organization and is dominant in the iron and mining industry of Bihar. According to S C. Joshi's report it had 313,307 members in 1946 <sup>(2)</sup>.

### INDIAN NATIONAL TRADE UNION CONGRESS

Under the aegis of the National Congress leaders, a new all-India labour organization has been recently formed at Delhi to free the workers from the clutches of the Communists dominated All India Trade Union Congress and to save the country and the nation-building industries and services from the prolonging and never.....strike fever. It was established at a meeting presided over by Sardar Patel on May 4, 1947. The objects of the Indian National Trade Union Congress are among other things: the progressive elimination of social, political and economic legislation and antisocial concentration of power in any form, to place industry under State control and ownership, to ensure full employment. It hopes to secure industrial peace, rapid increase in the production of urgently needed goods and stoppage of strikes. In October 1947, it had 185 affiliated unions with 370,000 members.

The organization of Trade Unions has met in India with special difficulties inherent to the nature of the country. Some of these difficulties are: 1) The *floating character* of the labour population, for most of the workers are from country parts and they rarely sever their connections with their villages; 2) the labour force in industrial centres, like Bombay and Calcutta, is a *heterogenous* mass of men speaking a variety of languages, and, therefore, there is no feeling of intimacy among them; 3) the majority of the workers are *illiterate*, and are, therefore, unable to find leaders from their own ranks; 4) the *absence of true democratic spirit*, which is so essential for the effective working of Trade Unionism. All this stands in marked contrast with the position which Trade Unions hold in Europe, where they are officered exclusively by the workers themselves.

(1) Mukerjee, Radhakamal, The Indian Working Class, 1945.

(2) Reg. Labour Investigation Committee Report, 1945.



**174. Labour Legislation** Labour legislation in India, naturally, does not occupy the same important position as in Western industrialised countries. But with the growing industrialization of the country, the better realization of the duties of the State towards labour, and the awakening of the working classes to their rights, the labour legislation is assuming more and more important position. Yet there is room for improvement in labour legislation, because in industrial areas the condition of slum-cities is appalling, the exploitation of child labour is rather general, excessive hours is an admitted fact, and want of sanitation and absence of safety need much to be improved. Still in many factories great improvements have been introduced, mostly on the initiative of the employers.

Several factory Acts have been enacted by the Government of India of which the most recent is that of 1934, which specially protects the factory workers. For mining industries the following statutes are issued: "No person is allowed to work on more than six days in any one week. A person employed above ground in a mine is not allowed to work for more than fifty-four hours in any week or for more than ten hours in any day". With the acceptance by India of her obligations towards international Labour organization of the League of Nations, the labour legislation spirit has been put in a proper standing. In this connection it may be mentioned as good omen the representation given to labour in the Provincial Legislative Assemblies under the Government of India Act (1935) through special constituencies comprising registered Trade Unions.

It is to be lamented the attitude of the workers to their improvement. They seem not to mind their condition and are the last to take definite steps for promoting labour legislation. (See *Report on Labour Conditions in India* (British Trade Union Congress Delegation, 1928), p. 12; Jathar and Bari, *Indian Economics*, Vol. II, Chap. III; *Examiner*, Bombay, November 7, 1945).

### C. Strikes and Lock-outs

Strike is the main weapon the workers can make use of to defend their rights against the abuses of the employers. Everybody knows something about strikes. Very many have experienced the sad consequences they have given rise to.

**175. Strike.** "It is a concerted suspension of work with the immediate aim of checking enterprise".

*Concerted suspension:* The strike supposes an agreement among many workers to suspend work. Usually the demands put forward by the strikers have reference to wages, hours of labour, the employment of particular persons and working arrangements.

*With immediate aim of checking enterprise:* By this the intrinsic aim or purpose of strike is determined. The labourers, conscious that they are indispensable to the enterprise, withdraw their co-operation; thus they exercise a certain pressure upon the employer.

A strike is called *general* if it embraces all the workers of a country and also the workers of all single department, such as metallurgy, railways, etc.

*A Stay-in-Strike:* A stay-in-strike is a fairly recent innovation among strikes. Normally in a strike the workmen absent themselves from the factory, but the modern tendency is that the workmen enter the factory at the usual time, and once inside they do not start work.

*A Sympthetic Strike:* A sympathetic strike is one in which workers of a particular trade without any grievance of their own, and with or without notice, cease work because workers in an allied trade have gone on strike. The sympathetic strikers are normally convinced of the justness of the grievance of the original strikers, and take this step in order to accelerate a settlement. For instance, if the signal cabin men of a railway go out on strike in sympathy with engine drivers they thereby bring a further pressure to bear on the railway administration to effect an early settlement.

*Demonstrations:* Sometimes the strike is confined to a *demonstration* of only a few minutes; for example, a five-minute strike. It is a kind of threat of the workers to show that with their solidarity and discipline they can effectively check enterprise, if they wish.

176. **The Lock-Out.** It is the strike of the employers. We have a lock-out when an employer refuses to employ anyone who will not work on his terms, with the idea of compelling all the workers to accept his conditions of labour.

177. **When are Strikes and Lock-Outs Lawful.** In order to be lawful and legitimate, the strikes and lock-outs must be *just*.

A just strike has the following characteristics:

I. *Just cause:* It may be said to be a just cause when it is called on account of just grievances with no malicious intent.



We must distinguish between the strike which seeks the reparation of a positive injustice and the strike which demands reasonable amelioration strictly apart from justice. In the second case the accompanying circumstances more readily tend to make the strike illegitimate.

2. *Lawful means*: It must not involve violence or destruction of property. Peaceful methods of arbitration must have failed, and no other solution be found possible.

3. *Sufficient reason*: It should be based upon a motive which justifies the evils resulting from it.

These evils are as follows: (a) The loss to themselves, to their employers, to the locality, and to the country in general; (b) the misery and suffering caused to their families; (c) a state of irritation and misunderstanding which arises and which lasts long after the strike has ended.

4. *Reasonable hope of success*, or at least of the *ultimate* advantage to the worker.

Experience shows that relatively few strikes are concluded wholly in favour of the workers and that by far the greater number end in compromise. *Failure* or *compromise* means loss of wages, besides the serious loss to the trade involved. Strikes are desperate remedies of the workers, like the war of nations; and this may be justified only when *present loss* may be counterbalanced by a *permanent gain*.

178. **Public Services.** The seriousness of the strikes is greater when it is question of public security, and when it affects persons having nothing to do with the dispute. *Public services* are those through which authority exercises its essential administrative functions, such as justice and defence of territory. The term "public service" can also be extended to include other activities which are intimately connected with public welfare and interest: such are rail-roads and transport services, water and food supply to large centres of population, light and postal and telephone and telegraph services. These important services and enterprises (whether belonging to State or not) are so indispensable to common good and civil life that *strikes in these departments should be always considered unlawful by the authority*.

Regarding the subject of labour conflicts, the *Code of Social Principles* states the following: "The public interest is the first criterion for estimating the lawfulness or otherwise of any concerted cessation of work. To this criterion must be added regard for justice and charity.

"This public interest is more immediately at stake when it is a question of services directly established for the good of the country, and of undertakings—even private ones—that supply most essential common needs. Certain services are even so indispensable to the community that it is difficult to put forward any supposition that would justify a strike.



"There is preventive remedy for strikes, as for every conflict, whether in private undertakings or in public services—*arbitration*. The joint action of organized industry and of public authority should tend toward the organizing of conciliation and arbitration by means of permanent bodies, supported by effective sanction" (1).

What is said of strikes should be said *mutatis mutandis* of **Lock-Outs**.

179. **Picketing.** Similar to strike is *picketing*, which means the action of the agents of the workers to persuade or intimidate non-union workers from taking the places vacated by strikers. In general it is not unlawful to inform non-union workers of their plans, and even to attempt to persuade them to join. But since Trade Unions should be founded on the principle of voluntary membership, any compulsion, particularly through physical intimidation and fear, is opposed to this principle and interferes with the individual's right to liberty of action.

180. **The Boycott.** It is a combination of a group of workers to enforce a demand on employers of firms by *withholding* or inducing others to *withhold business with it*. Two kinds of boycotts can be distinguished: *Primary boycott* in which only the labourers themselves refrain from buying or dealing with boycotted firm; and *secondary boycott* in which pressure is exercised against the people who deal with boycotters. Boycott is *just* only if it has the same characteristics as a just strike.

181. **Sabotage.** Another means of action of the workers is called *sabotage* (a word from the French "Sabot—wooden shoe"). "Put a sabot in the machine" has reference to any means that may be employed to injure the property of the employers: wrenching of machinery, production of badly elaborated articles, etc. Needless to say that sabotage is unjust and illegitimate.

182. **What are the main types of machinery designed to promote industrial peace?**

They are four: *Voluntary conciliation* boards (of the parties concerned); *mediation* (by a third party); *compulsory investigation* and report (with enforced postponement of strikes; and finally, *compulsory arbitration* (with complete prohibition of strikes).

All these methods are useful, particularly the third; but they are inadequate of themselves. "Investigation cannot prevent a strike, and

(1) *Catholic Social Year Book*, 1929, pp. 44-45.



prohibition is difficult to enforce; unless, on both sides, religion and Christian justice and charity come to supplement them, peace can never be attained", says the immortal Pope Leo XIII. In the words of Mgr. M. Cronin, "the whole life of the community must be based on religion and actuated throughout by a love of virtue and respect for the Divine Law. Mere economic industrialism has had its chance for close on a century, and failed" <sup>(1)</sup>.

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## ARTICLE IV

### CAPITAL

Capital is the element of production, supplementary to labour. Capital, in whatever acceptance is taken, is connected with many problems emanating from the role it plays in economy—in agricultural as well as in industrial enterprises. Hence many a grave and delicate problem are connected with it.

#### A. General Notions

183. **Definition.** Capital, in a broad sense, designates *any wealth which has been saved*. Under this definition, capital means all kind of wealth, whether it is to be used for production or not, such as furniture, parks, works of art, etc.

In a more strict sense, capital may be defined: "*Wealth used for production*". All capital is wealth, but it is not true that all wealth is capital. If a man has a stock of food, or a stock of money with

<sup>(1)</sup> *Primer of the Principles of Social Science*, p. 97.

which to buy food, and he merely lives upon this without labouring with it, then his stock is not capital in economics, because no wealth has been produced by it. But if that stock is used in building a house, or sinking a well, or making a cart, or producing anything which saves labour and gives utility, then his stock is capital. Consequently not the quality of goods, but their destination makes capital.

Still capital, as agent of production, cannot be originally differentiated from labour and natural agents; for capital is formed from those elements. For this reason labour and nature are often termed *primary* agents of production, while capital is the *secondary* agent.

184. **Fixed and Circulating Capital.** This division of the capital is the most important for industrial progress and for calculating cost price and depreciation.

*Fixed Capital* is applied to what is durable or stable for production. It consists of such things as factories, machines, ships, railways, carriages (capital goods) and other things which last a long time and assist work. Here, however, we must bear in mind their intrinsic limitation, which consists in their continuous wearing out (depreciation) <sup>(1)</sup>.

*Circulating Capital* is that which is absorbed by a single or few productive operations. It is called "circulating", because it does not last long. Such are cloth, food, money and other materials used for production which are quickly absorbed in the productive process. Take the case where raw silk is woven into a handkerchief. The capital, contained in the raw material, is transformed into the handkerchief, which, in its turn, is exchanged for money which may buy more raw silk, and repeat the above-mentioned process. This circulation may continue indefinitely. The circulating capital changes soon, while fixed capital may stand still.

In the productive processes the cost of circulating capital should be entirely replaced by the net proceeds of the single product it produces. Let us take, for instance, a crop of potatoes. In order to know how much gain we had from it, the cost and interest of all our expenses must be replaced and then calculate the profit out of its price.

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(1) Churches, monuments, books, statues, etc., last a long time, but they are not fixed capital in a strict sense, because they are not used to help us in producing new wealth. They may do good and give pleasure, and they form part of the wealth of the country; but they are not capital according to the strict usage of the word.



Fixed capital on the other hand need not be replaced immediately from the proceeds of productions (for example, engines), but from the series of production it serves to produce.

*Depreciation.* It is calculated by deducting from the product enough to replace little by little the cost of the fixed capital. For example if a locomotive is purchased for Rs. one lakh and the number of years of work that can be extracted from it is 40, then every year from the railway revenue  $1/40$ th part of one lakh of Rupees will be set aside in the Depreciation Fund, so that after 40 years Rupees one lakh will be available to replace the condemned engine. Thus the work of the engine for 40 years is extracted, and also its full value is kept in reserve.

The principle of depreciation has great practical value in Christian Sociology, because it helps to calculate the real profits to the owner of the enterprise, and because it has intimate relation with the theory of *plus value* and *just price*.

In calculating depreciation, not only the decreasing value because of *use* must be *considered*, but also the cost of upkeep and the need of replacing machines, before they are completely worn out, by others of *more recent type*. In industry machines are depreciated in about ten years on the average.

**185. Necessity of Capital.** Capital has always been required from the very birth of society. In the more specific sense of instrument of production nobody could think of denying its necessity in the present stage of civilisation.

Capital is indispensable for economic development, for it is the strength of a people, and want of capital is a national weakness.

**186. How Capital is obtained.** Ultimately, capital is the result of saving and abstinence, that is, it can only be obtained by working to produce and then not immediately consuming the produce. When a worker saves some food and can employ himself in making a plough, he is investing a capital in plough which will help him in further production. Even big capitals invested in factories and railways consist of the food, clothes and other commodities *saved* and then consumed by the labourers who made such works. Thus, when we go far enough back we always find that capital is formed by *saving* what is produced by labour.

187. **Productivity of Capital.** Capital is unproductive in the theory of Marx; in Middle Ages too, it was considered as a barren thing, as the saying runs: *Nummus nummum non parit*". It is true that capital directly cannot produce; but at the same time everybody will agree that capital has *certain influence* in production, and in this sense we say that capital is productive. <sup>(1)</sup>

188. **Legitimacy of Loan with Interest.** We must say here a few words as to the legitimacy of interest, for at times we see questioned the right of the lender to interest on his loans.

A *loan* is a contract by which something consumable in *first* use is transferred to another with the obligation of returning its equivalent at a given time. In loans dominium is transferred over the article consumable in first use, as it is money, wheat, coal, etc. Hence loans differ from renting, which is of things which are not easily consumable, as books, horse, house and field.

*Per se* a loan of consumable things does not justify interest. For in an exchange, one cannot demand more than one gives, and the use (as such) of the thing has no value apart from the thing. If one uses rice, he consumes it. To require payment on account of the use, as to require excessive payment on some other title, is *usury*. When, therefore, an equivalent is returned to him, the lender regains all he had given; he still has all that he had: he has lost nothing. He had certain quantity of rice; he still has it. Since usury is appropriating something to which one has no title, it is contrary to the natural law and is a sin.

It would be different, if it were a question of something which is not consumed by use. If, for example, I lend my neighbour my horse for a day, he owes me something for the use of the horse.

*Per accidens* it may be lawful to ask a price for a loan, because of the circumstances. These circumstances or accidental claims are summed up in the following classical formula:

*Lucrum cessans*—failure to earn;

*Periculum sortis*—the risk of capital.

When they are encountered, they justify a proportional interest.

<sup>(1)</sup> A distinction arises between *productive capital*—capital increasing goods or values and merely *lucrative capital*, which is productive for the proprietor not in itself, such as the money spent for military purposes, for administration of justice, etc.



Up to the middle of the XVIIIth century ecclesiastical law, as well as civil law forbade, in principle, the loan with interest. The Jews were allowed to exact interest only from the strangers. Greeks and Romans, following Aristotle, considered usury contrary to nature.

In our times, on the contrary, in the present economic system, interest can always be demanded for the *loan of money*. In fact, actually, because of the intensity of economic life, of freedom of trades and contracts, of the improved organization of credit by thrift, institutions (banks, exchanges, stock companies, etc.), money can always be used, either by the proprietor himself, or by his intermediaries, for productive economic activities:

1) It can be used as *circulating capital* in business, banks, industry, etc. It is one of the instruments of economic activity.

2) It may be used for the purchase of installation, machinery, houses, fields and farms, etc., in a word, in productive goods of all kinds. It is *virtually productive*. <sup>(1)</sup>

Therefore, under the existing circumstances, all money loans justify interest, and now loan with interest is authorised by both canonical and civil law.

Even if interest is justified in principle, all interest is not legitimate to the same extent. Interest is the price paid for the temporary use of capital. This price, like any other, should be fair.

In great enterprises the rate of interest seems to decrease. In small commerce, however, and among the poor people, lending and borrowing go almost unchecked and usury rampant. Usury consists in *demanding an excessive rate of interest*. Nations try to remedy the abuses by law. Some countries, as the U.S.A., consider 12% as the maximum rate, and some others 10%. But privately high rates of 20 or 30 per cent interest are asked even in most advanced countries in the West.

In India we are familiar with the money-lender. He is to be found in cities and villages, and very few escape him. He often collects from the people annual interest equivalent of the whole capital advanced. If he foresees a poor crop, he corners as much grain as possible and sowing-

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(1) The explanation of most Catholic writers on the question of money-lending reduces all legitimate cases of interest to the little *Lucrum cessans*. Even the theory of virtual productivity of money want to reduce to *Lucrum cessans*, for they say that the theory of virtual productivity explains the nature of the loss suffered by the lender (Cfr. Rev. P. McDowell, *The Church and Economics*, pp. 152-53.)



time sells seed grain at very high percentage, such as 200 per cent or more. The immorality of such practices is apparent. Present Governments are legislating, invalidating contracts entered upon by the money-lenders, and checking the abuses. We hope that little by little, the evils of usury may diminish. <sup>(1)</sup>

189. **Capitalism.** *Capitalism* is one of those words which may sound differently to different kind of people. It is a hated word to most workers, while it means prosperity to most moneyed people.

But capitalism in itself is an essentially indifferent system where capital plays a predominant part and where function of capital is separated from that of labour.

When the inventions of XVIIIth and XIXth centuries supplied means of rapid communications and developed machinery for factories, the capital began to play a great role. To develop modern industries on the one hand great accumulation of capital was necessary, and on the other hand great number of workers living in the same place; and so a great concentration of capital was formed along with great crowds of workers without any connection with the capital, thus determining a new era where the workers have nothing to do with the capital and where the capital was independent from labour.

The word "capitalism" comes from *capital*; but usually it means much more than a mere system in which capital is used to a great extent. By capitalism people in the street, and in higher spheres too, understand the great *abuses* and *inconveniences* attached to this system. It means the exploitation of the working classes by employers, the exaggerated influence in society (as a whole of the *big firms*), and the attempts to control parliaments and Governments in the interests of those who dominate the economic world. Capital in itself is only one of the elements of production, which may work in perfect harmony with the other elements. But excessive *individualism* has ruined capitalism from the beginning until late, and has made it an unchristian system which must be condemned *until it is mended*.

## B. Capitalist Organizations

190. **How Capital is combined.** The productive efficiency of capital goods increases in accordance with the amount used. Because

<sup>(1)</sup> Cfr. V. Fallon, S.J., *Elements of Social Science*, pag. 67; V. Cathrein, S.J., *Philosophia Moralis*, pag. 346-349; J. M. Llovera, *Sociologia Cristiana*, pag. 158-159; and H. Belloc, *Usury*, pamphlet (Sheed and Ward, London, 1931).



of this fact, it is necessary to aggregate or combine them in large amounts, if maximum efficiency is to be secured. <sup>(1)</sup>

With this purpose in mind different combinations have been worked out by industrialists. We shall review rapidly the most important forms of business organizations created to combine capital for productive purposes.

Among the forms of business organizations created to combine capital goods for productive purposes we can mention here: 1) The *individual proprietorship*; 2) the *general partnership*; 3) the *limited liability company*; 4) the *private company limited*.

1. *Individual Proprietorship*. It is used by the great majority of small business men. In this simple organization, the individual owns the whole capital of the business and risks also all; but the whole profit is for the individual. Unless the individual proprietorship is owned by a man of wealth or strong credit, this form does not permit the aggregation of large sums of capital, and is accordingly limited to small enterprises. The chief advantage of this form is its *freedom from taxation and other legal regulations*. Its disadvantages are: a) The personal property may be seized to pay his business debts; b) It is not easy to raise large sums of capital.

2. *General Partnership*. If two or more people engage jointly in business without making any special provisions as to the legal form of their venture, they will be held to constitute a *general partnership*. This form is a natural development from the individual proprietorship; for when a person finds his existing business too large to handle himself or in need of larger capital, the instinct is to seek some one who can help with capital or managerial ability.

The *first* disadvantage of this form is that any partner's personal property may be seized in satisfaction of the business debts. This disadvantage deters many individuals from investing their capital in such an organization. In the *second place* each partner may make contracts and incur debts for the firm, which are binding upon all the other members even without their consent. *Finally*, the partnership lacks stability from the view point of duration. On the other hand this form is easy

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<sup>(1)</sup> We must be careful to avoid the mistake of supposing that capital can only exist in the form of millions. The enormous capitalised sums of modern industry and commerce are, to no small extent, the united capitals of many persons of moderate means. The same is true of agriculture, where a large amount of capital is in the hands of small owners or tenants.



and inexpensive to organize, and it is generally free from the many restrictions, taxes and regulations imposed upon corporation by the State.

3. *Limited Liability Company*. This kind of Company is an organizations set up by the individuals with the consent of the State. This corporate form has been the most widely used form of business organization for the raising capital. This organization possesses, in the first place, the advantage of *limited liability*, that is to say, that the owner of a share of stock can only lose his original investments. This in itself is sufficient to explain why corporations can more successfully raise capital.

In the second place, these organizations *enjoy greater stability and durability*. The death or withdrawal of one or more of the original owners need not affect the stability of the corporation or its policies. In this system the shareholders elect the directors to whom all the authority for the management of the business is delegated and who, in turn, select the actual officials of the corporation.

4. *Private Company Limited*. It stands in a quite different footing. No shares may be offered to the public for subscription, and the number of shareholders may be from two to fifty, exclusive of employees' shares. Many thousand concerns are working today as private limited companies, and the number is constantly growing.

The transformation of a business into a limited liability company need not involve any alteration in the personnel or in the methods of conducting affairs. The shareholders' liability is confined to the shares they hold; and consequently the owners' property outside shares, is immune in the event of the non-success of the concern. The capital of the business alone is subject to the risk of the undertaking. <sup>(1)</sup>

### C. Voluntary Association of Employers

191. Associations are formed to safeguard and advance the interests of *particular industries*, e.g., mill-owners, ship-owners. Employers are perfectly entitled to form such associations; and usually this class of association is formed for the purpose of common action, general improvement, and to regulate selling prices with a view to improving profits or eliminating ruinous competition.

Within the last decade there has grown up a development of the employers' association in England and other European countries,

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<sup>(1)</sup> Cfr. V. Fallon, S.J., *Principles of Social Economy*, Part I, Chap. III.



through they are not yet introduced in India. They are called *Federations* also.

*What are the chief forms of Federations amongst capitalists or employers?*

It would be difficult to enumerate the various kinds of associations possible. But the following have been given much prominence in recent years:

*Trust, rings, pools, kartels.* In a *trust*, all the stock of different firms is made one, and the supreme management and ownership are one. In a *ring*, stocks remain independent; but the firms combine to keep up prices. The *pool*, is a combination of distinct firms which throw their revenues into one so as to avoid competition. *Kartels* are groups of independent firms which place all roles in the hands of a common committee giving to it the power to fix prices.

Employers' Associations are frequently international.

*Advantages:* From the point of view of the organizers, the combination offers certain manifest advantages:-

a) Cheaper purchase of raw materials from the immense financial resources at their command.

b) Considerable economy in management, advertisement and agencies, which enables them also to supply their clients at a reduced cost.

c) The wage paid by them and their treatment of their working people are, as a rule, better than in the small firms.

d) The larger industry calls forth a stronger organization of the workers' association.

Of course these advantages are often not realized.

*Disadvantages:* The evils of the system are admittedly serious, notably in the more developed form of the trust. They are the following:

a) The underselling and ruin of isolated firms.

b) The excessive cost of buying out competing firms.

c) Unsocial discrimination against the home market in favour of the foreigner.

d) Too often, a scandalous system of corruption <sup>(1)</sup>.

**192. Dangers in Administration of Capital.** Here it must be observed that it is the gigantic all-absorbing nature of these associations, and the immoral means sometimes adopted in pursuit of their aims, what render them inimical to the common interests of society and an object of opprobrium, and reprieve legislation.

The wealthy and rich have peculiar responsibilities. The first is to invest their money in such companies where funds are used for ends that are morally defensible. Owing, however, to the rapid increase of

<sup>(1)</sup> Cfr. H. Parkinson, *A Primer of Social Science*, pp. 83, 88.

anonymous enterprises, this is becoming more and more impossible. Besides, in modern companies fifty-one per cent of the stock can exercise one hundred per cent control and act against the wishes of 49 per cent.

Another duty of the rich is not to attempt the control of money over which they have no rights. This is achieved by the big financiers through creating and holding companies. Companies A. and B. are with, say, 10 lakhs each. A new company A 1, can be formed to hold 51 per cent of the stock A. and B. The financier who holds 51 per cent of the stock of A 1, can control A. and B. The process need not stop here; and consequently a man can control 10, 20, 30 times more property than really owns. He can declare dividends and pass them, depreciate or raise the value of the stock absolutely without consulting the other stock holders, who, no matter how well intentioned, will have no more to say about the use of their property than the penniless labourer (<sup>1</sup>).

**193. Application to India.** One of the reasons why up to the present no large-scale industries have gained foothold in India is lack or scarcity of capital. The benefits of combining large amounts of capital to form business organisations for productive purposes have not been generally realized. Vast capitals, which otherwise might have been usefully employed for development of new enterprises, have been languishing in India. Up-to-date, saving meant hoarding in India, and it has almost become synonymous with buying gold or jewellery. And the result has been that India has absorbed much of the world's production of gold for a long time.

With this we do not like to say that all the Indian savers have been equally mad in hoarding; wise people have used their incomes for production. At present great amounts of accumulated capital are available for production in India. Witness the crores of deposits in the Reserve Bank, Imperial Bank, Postal Savings and other banks, and the spectacle of accumulations of sterling balances in England; all go to prove that there is no lack of capital for production. Only a determined and wise policy of industrial development is needed. India needs not so much the capital, as capital goods and skilled technicians to carry on an intensive industrialization of the country. Industrial organization and up-to-date working of the same are the great desideratum of India at present.

(<sup>1</sup>) Cfr. V. Michael, O.S.B., *Christian Social Reconstruction*, Chap. IV; and Harold Robbins, *The Sun of Justice*, Chap. XI.



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## CHAPTER II

## DISTRIBUTION

194. As already seen, production necessarily needs the combination of *nature*, *capital* and *labour*.

But delicate questions, such as *by whom* and *for whom* are things produced, come in for solution. Whose are the land, the houses, the factories, the things, the clothes and the food produced?

Since the most divergent solution to the problem of distribution hinges on the position taken in respect to private property, we intend to examine in this chapter *first*, the terms ownership and property, then the opposite theories to private property will be analysed; and finally, to what extent those who participate in the production of goods can claim a share of them will be discussed. Hence, four are the main questions of this section: 1) The right of private property; 2) Socialistic theories and social reforms; 3) Labourers' remuneration; 4) Remuneration of the owner of the capital and management.

## ARTICLE I

## PRIVATE PROPERTY

## A. The Right of Private Property

195. The chief and the fundamental problem in the social question is the *right of ownership* in wealth. Though many of the practical problems of ownership are difficult, all the same, the general problem is not beyond the capacity of the average student.

An intensive study of facts and theories relating private property is more necessary to-day than ever before, because of the wrong theories that have gathered round this problem in recent years. These theories have done immense harm in every country.

196. **Meaning of the word "Property".** We must first fully understand the meaning of the word "property" or ownership. Men own things; they exercise jurisdiction over persons. To own a thing is to *possess the right or moral power to dispose of it as one wishes*. It is a rather vague definition, because of the undetermined extension of this right. The Roman Law expressed the extension of this right in the following words: "*Jus utendi atque abutendi, exclusis aliis*"—the exclusive right to use and to destroy a thing. Here the right of property



seems to be too *absolute*, for it does not consider the limitation of it by the rights of others. But this right of disposal is limited by the nature of the right itself. For all rights have limitations, set either by law or by the right of others. Ownership, therefore, carries with it the moral power to exercise control over the object in one's own interest, provided by so doing the rights of others be not violated, nor the common welfare ignored. Therefore, the right of property can be more properly defined: *The right to dispose of things, unless prohibited by law.*

St. Thomas arrived at this conclusion when he said that property may be *private* in ownership but must be *common* in use <sup>(1)</sup>.

*Division.* Ownership is divided into *eminent domain* and *private domain*. The eminent domain belongs to the State. It is not ownership in the strict sense of the word, but supreme *jurisdiction*, by which the civil authority restricts private property in various ways. If a great common utility should demand it, the State may limit private property, transfer it or otherwise dispose of it. It is bound, however, to compensate the subjects as far as possible.

Private ownership is *perfect* when one may dispose at will of a thing's substance and its use; *imperfect*, when one can dispose of either substance or of its use; not of both.

Some goods are tangible; others, like services and skill, are *intangible*. Some are *consumptive goods*, that is, they are for immediate use or employment, and then lose their value; others are *capital* or *productive goods*, used in the production of further goods, such as worker's tools and factory buildings. There are some other forms of property, but it is not necessary to enumerate them here.

197. **Subject of Private Ownership.** Since rights are moral entities, they must be vested either in physical or moral (juridical) persons; in other words, rights exist in individual men or in societies whether perfect such as the State and the Church, or imperfect as subordinate societies (community, association, corporation, etc.). When it is vested in individual men or in some imperfect society, it is called *private*; when vested in a perfect society (State or Church), it is called *public*.

God, the Creator of all things, is obviously the first and absolute owner of all things. His dominion is unrestricted, unlimited. "The earth is the Lord's and the fulness thereof". Hence, before Him man stands as a steward.

<sup>(1)</sup> *Sum. Theol.*, 2-2, Q.66, Art. 2.



The State possesses no such absolute dominion. While it is true that the State may, by virtue of eminent domain, in case the common good demands it, take over property belonging to private individuals, all the same, it has to give an adequate compensation.

**198. Object of Private Ownership.** All material things, such as land, water, real estate, personal products of all kinds, are subject, not only to private appropriation, but also to common ownership. Most of the things have been already appropriated either by individuals or by the State or by associations. The actual tendency is that State should appropriate things like streams, rivers, brooks which formerly belonged to individuals who owned their banks.

For a long time, it was thought that *sea* could not be appropriated by anyone. To-day, we recognize that parts of the sea can be appropriated by the bordering countries. There are also, in the open sea, *fisheries* reserved for the exclusive use of certain countries as the Newfoundland Banks. *Forests* are owned, partly by individuals and partly by public powers, with or without a common usage.

Lately, due to the great development of the aviation, nations have reserved the right of jurisdiction in the air.

**199. The Ownership Right should be limited.** Since the institution of private property is not an end but a means, one may not use private property without keeping this in mind. The right of private property involves certain limitations which arise from its *social* nature. Whatever may be the precise meaning of the Roman definition of ownership—"Jus utendi et abutendi"—and though private ownership is *directly* and *firstly* ordained to the use and utility of the individual owner, still it cannot be denied that even individual property has some ordination to the *common* utility of society<sup>1</sup>.

In times when pastoral and agricultural people prevailed, there was scarcely any need for the State to interfere with private ownership, for there was enough property for all; but in modern times, when the population is dense, needs are highly developed, and economic and social relations are complex, there arises the necessity of controlling private property. Hence the *social character* of private ownership should be more emphasized now. The interests of individuals are tightly bound up with the interests of all. General measures can greatly help

<sup>1</sup> Robinson and Christoph. *The Introductory Sociology*.



individual initiative, but the pursuit of personal interest should be held within fair limits; the weak should be particularly protected; proper living conditions should be assured to all<sup>1</sup>. Hence the frequent intervention of economic-social power to determine the law of ownership and moderate it according to the circumstances of the general welfare.

"The Christian doctrine that private ownership is not an absolute right, but merely a form of stewardship (according to which the individual holds his wealth from God, and is obliged to administer it for the benefit of others, as well as of himself), was more frequently preached of old, and more generally and vitally accepted than it is to-day. Every man performing a function in the mediaeval organization . . . the lord of the land, the serf, or the apprentice, was regarded as rendering a social service"<sup>2</sup>.

Law must, then, organise the system of private ownership to adapt it to circumstances, to avoid abuses, to bring about the exploitation of goods which result in general prosperity, equitable distribution, freedom, and peace.

200. **Different Conditions of Private Property.** Different have been the historical forms of private property in the course of the time. We shall give here a few concrete examples of them.—In Palestine, about the sixth century before the Christian era, houses with their bordering lands were private property. The lands further away were the collective property of the village or even of all the people. Unconfined land, like deserts and mountains, were open to all.—The Roman *latifundia* owned by great families and cultivated by thousands of slaves, were different from the medieval *fiefs* held in fued and cultivated by the serfs. The condition of the plebs, chiefly in France, continued miserable down to the French Revolution, when a violent transformation, dictated by the principles of freedom, equality and brotherhood, was started.—In Russia up to the beginning of the XIXth century under the Russian Empire, one-fifth of the territory were held in common by the villages. The system, the *mir*, in the years preceding the War, was disappearing and being replaced by absolute private property.

The Soviets, who claimed to socialize all things, had to concede to the peasant private title to their lands and to the land formerly belonging to the crown. However, during 1931-1932 Stalin began the work of nationalising the land and depriving the *Kulaks* of their private lands<sup>3</sup>.

<sup>1</sup> It is a tenet of natural law that in case of extreme need, the sufferer may take what he needs from others without leave. In such an extremity it would belong to him, as the goods of this world are intended for mankind. Nature makes things to be common in extreme need.

<sup>2</sup> Ryan, *The Living Wage*, pag. 106.

<sup>3</sup> Cfr. Valere Fallon, "*Principles of Social Economy*," pag. 186-187.



201. **Could the State abolish the right of property in the interests of the common good?** The State has no authority to abolish what is a natural right of man; such a step would not be in the interests of the common good, but against it. First, the State has no authority to abolish it, because when the State comes into existence, it finds individuals and families already in possession of this right. The right of property, as we shall see later on, is of Natural Law, and the State is bound to observe it. Secondly, it would be against the common good: for, to abolish the right of property is to go against the Natural Law; and whatever is against the Natural Law is against the common good.

202. **A Remark.** The variability of the forms of the private property is great indeed. Between *collectivism* and absolute *individual ownership* there is room for an indefinite series of intermediate situations. We can conceive of a separation of the right of individual ownership such as we have already defined. This right may be divided into a series of partial rights, one or some of which might be possessed by individuals without their possessing the others; bare ownership, use, gathering of fruits, mortgages-right of special use as pasturage, right of cutting wood, hunting, dwelling, etc.

In different countries, at different times, the limitations and the forms of the right of private ownership offer very marked differences. In Middle Ages the right of ownership was often confused with the right of sovereignty. In our days the right of ownership of real estate in the towns is more and more regulated and restricted than in country places.

## B. The Legitimacy of Right of Property

203. **Stating of the Question** The original sin of Socialism consists in its hatred against the right of property, on which the social order of the nations was founded in the past. For a better understanding of the nature of the important problems of the legitimacy of private ownership, let us bear in mind the following points:

1. Examining the nature of the terrestrial goods we find that they are intended by their maker to provide man with whatever he needs.

2. This purpose of terrestrial goods, being general, does not establish any precise way they are to be possessed either by the individual or by the community. Hence it cannot be said that nature is opposed to the existence of private property.



3. The socio-economic system, which is unfit to satisfy the needs of mankind, cannot be considered as legitimate one <sup>1</sup>.

We take here as established fact that nature is not opposed to private property and going further we establish as a sound principle: *Every man has Right to possess.*

**204. Every man has by nature the Right to possess Property as his own.** This thesis is directed especially against absolute Communists, who maintain that no individual has the right to exclusive ownership of any kind of wealth.

1. *Man has a right and obligation to develop his personality.* It is beyond question that nature imposes upon man the duty of preserving his physical life and of obtaining his intellectual and moral perfection. And while it is true that absolutely one might preserve one's life and obtain one's moral and intellectual development under a system of common ownership of goods, still that is not the question, because such an obligation is a "personal" one, being man as individual anterior to community. Hence his right to the exclusive ownership in those things necessary for the preservation of his life and development of his personality does not originate in human and positive law—State laws—but from his very nature: it comes from the natural law. And if natural law did not give him the right to possess the necessary material goods, then nothing but physical force would enable him to get sufficient means to preserve his life and develop his personality. No natural duty, however, is based upon physical power, or upon might, but upon moral power <sup>2</sup>.

This right becomes much more cogent and imperative, if we consider man as *the head of a family*. The family is the foundation of the State and the first cell of the social organism. It is difficult to see how a family could subsist in frugal comfort without private property

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<sup>1</sup> The right of private property is maintained for three different reasons: a) In the field of *Ethics*, private ownership constitutes the stuff and substance in which a man expresses his personality and independence. b) In the field of *Politics*, it is a necessary counterpoise against undue invasion and interference on the part of the State. c) In the field of *Economics*, it is an indispensable stimulus to action, adventure, progress, foresight. (Cfr. Ferroli, S. J., *Moral Science*, Vol. III, pag. 12).

<sup>2</sup> The right of private property is of more importance to the happiness of individuals than *actual* property. Many individuals are without property and do not miss it, but a governmental edict depriving them of all right to own would be intolerable.



of some sort. The children have to be reared and educated and the older members have to be provided for. But family is prior to social legislation. Consequently also those rights which are necessary to its well-being must precede all human laws, and therefore are anterior and superior to them—*they come from the nature itself*.

It cannot be said that this or that man, because he has the right to possess in the abstract, has also a right to this or that piece of private property.—For ownership in a particular case the individual should possess, over and above the *capacity* for private property, some special *title* to it, such as occupancy, labour, purchase, gift, etc. The present contention is that human nature recognises private property as an institution <sup>1</sup>.

2. *Man has a right to the fruit of his labour.* This proposition is admitted even by the socialists, because it is on this that they base their terrible accusations against capitalist exploitation of the workers' rights.

Every man certainly may justly claim that the powers and energies inherent in his own person belong to him. Now the natural effect of the exercise of these powers is the transformation of the objects upon which they are exercised. They become in real sense an extension of his personality. Hence, since he has the right to the fruit of his personal activities, he also has the right to those things connected with them. If I cultivate a field, which is absolutely unoccupied and which is altogether abandoned, and, which without labour would produce nothing, would my neighbour be rightly entitled to take it from me? Now, if I live sparingly, save money and invest the savings for greater security in land, in such a case the land would be the fruit of my labour in another form and consequently my little estate, thus purchased, should be completely at my disposal as the fruit of my labour from the first field.

Even if we consider this right irrespective of the primitive title of possession, if one man hires to another his strength or his industry, he does this for the purpose of receiving in return what is necessary for food and living; he consequently intends to acquire a full right, both to his remuneration, and to the disposal of the remuneration as well.

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<sup>1</sup> St. Thomas says: "Man has natural dominion over external things, because by reason external things are to his own profit as things made for him: for the imperfect things are always ordained as means to the more perfect" (*Sum Theol.*, 2-2, q. 66, art. 1).



"It is surely undeniable that, when a man engages in remunerative labour, the very reason and motive of his work is to obtain property, and to hold it as his own private possession. If one man hires out to another his strength or his industry, he does this for the purpose of recovering in return what is necessary for food and living. He thereby expressly proposes to acquire a full and real right, not only to the remuneration, but also to the disposal of the remuneration, as he pleases.

Thus, if he lives sparingly, saves money, and invests his savings for greater security in land, the land in such a case is only his wages in another form " <sup>1</sup>.

3. *Historical experience.* History bears witness to the fact that from the beginning of their recorded history, the Israelites owned property. Likewise the Egyptians: Joseph bought all the land of Egypt; and after the inundations from the Nile, all land was surveyed to fix property boundaries. The same can be said of the Chinese, Indians, Greeks and Italians. It is curious that even now exist records of actual land-contracts made by Babylonians, Assyrians, Gauls and Germans. Whenever there was communal ownership of hunting or pastoral land, there came in the private ownership of cultivated soil.

The traces of Communism which we find in history are found in those epochs when the conditions were without social life; but as nations developed and progressed, private ownership progressed and became stronger. Always in some way or other the right of property has found modes of expression and all attempts to overthrow this institution have failed miserably.

4. *Sociological argument.* a) *Stimulus for work.* Man, as he is constituted now, needs an incentive to work, a motive-power to give him courage to continue his labours. "Every one is more careful", says St. Thomas, "to look after what belongs to himself alone than after what is common to all or many, since all men shun labour and leave to others what is common to all or many, as happens where there are too many servants" <sup>2</sup>.

The same point is brought up by the Papal Encyclical *Rerum Novarum* where we read: "The Socialists in endeavouring to transfer the possessions of individuals to the community, strike at the interests of every wage earner, for they deprive him of his liberty of disposing

<sup>1</sup> Leo XIII, *Encycl. Rerum Novarum*.

<sup>2</sup> *Sum. Theol* 2-2, Q. 66, art. 2.



of his wages, and thus of all hope and possibility of increasing and of bettering his condition in life " 1.

b) *Social Force.* The acceptance of the right of private property is basic to any sound progress of social philosophy and social reconstruction. The wider distribution of private property will bring a fuller liberty and more genuine security to the majority of the people. "Let the fact be well established, that the first basis for those who sincerely desire the welfare of the people is the inviolability of private ownership (Leo XIII, Encycl, "Rerum Novarum.")

205. **An Objection.** Socialists argue that "all things are common by the law of nature" and that, consequently, the private property is against nature.

*Answer.* If by the principle "all things are common by the law of nature" is meant that nature does not determine *how, when, and to whom* things should be distributed in particular, we may admit the principle. But from this does not follow that nature does not intend and insist on some kind of distribution. In the same sense we could say that men are unmarried, unclad by the law of nature; for nature does not join this man to that woman, nor prescribes special kind of cloth. But nature prescribes in a general way some marriage and some clothing. In the same way private property is suggested by nature, not *absolutely*, but *relatively* to the good which will ensue for man. Private property comes from nature not as a *command*, but as an *authorization*,—as a *right*, not as a *duty*. Hence private property is according to nature. Yet every individual is free to renounce his right, and live a life of poverty, as religious do 2.

#### *Conclusions:*

"Private property is based on an urge of human nature and the explicit will of God.

"It is indispensable and irreplaceable as a lever of progress and a source of creative joy.

"This, however, is not to say that the capitalistic accumulation of wealth in a few hands is in keeping with the Divine order of things.

<sup>1</sup> Leo XIII, Encycl. *Rerum Novarum*.

<sup>2</sup> In our discussions with communists we are not usually met on the ground of the theoretical arguments proving the right of private property, but generally the discussion moves round the practical value of communistic system for the purpose of production and distribution of goods.



"Especially after a war as big as the last World War, the fair distribution of earthly goods seems to be disturbed most heavily. It will be indispensable, therefore, that the burdens be properly distributed by legal means by taking into consideration the common good and social justice, as well as the principles of private property.

"The Church will take its share in the solution of the social problem not only morally but also by participating willingly with its own property". *Joint Pastoral of German Hierarchy, 1947.*

### C. Origin of the Right of Private Property

206. The most defective theories as to the origin of private property are: *Contract theory, Legal theory and Labour theory.*

1. *Contract Theory.* Puffendorff, Grotius, and Rousseau taught that private property is originally derived from a kind of *human pact and contract.*

All evidence, however, of the past as well as the present, shows that men of all times are very much the same, have the same passions of love, selfishness and greed; yet this system makes all men agree in such a complicated matter as property and its ownership. Besides, this theory does not solve the question, for it does not say why the first inhabitants had the right to make such a pact.

2. *Legal Theory.* This theory was first proposed by Hobbes in the *Leviathan*, and followed by Bethan, Montesquieu and others. It holds that the right of property arises from legislation. "Laws and property were born together and will die together", goes the saying.

This theory, needless to say, is obviously inexact, because, if it were the work of a law, it would have been superseded by other laws or by a majority vote of the people. But we know from history that legislation has always safeguarded the right of private property. Hence it presupposes it, it does not create it. A man, independently of all human laws, has a right to live: and in such a circumstance he has a right to preserve his life; and, therefore, he is entitled to have what is necessary to preserve his life, prior to all legislation.

3. *Labour Theory.* Locke and some adepts of the classical School of Economics, such as Ricardo and Adam Smith, evolved the *labour theory* asserting that the value of the goods depends on the amount of labour expended on it, and that man's right to property rests in the added utility given to it by this labour.



This theory is true in the sense that one of the titles of property is labour. But it is not "universal" enough, for besides labour, there are some other titles which this theory does not explain, e.g., it does not explain how we are entitled to possess things that belong to nobody and which have not been modified by human work.

From all this follows that the primary origin of the right of private property is to be found in actual and historical human nature. From our natural needs comes finally the right to take possession of things; and from our freedom and independence regarding others comes the exclusive right to permanently possess them<sup>1</sup>.

#### D. Main Titles of Property

207. In the preceding questions it has been discussed the right of man to the acquisition of private property as being based on nature's law.

In this we shall seek for the *titles* or *claims*, in virtue of which an individual may justly appropriate things. There are two categories of property titles: *primitive titles* and *derived titles*. The primitive titles grant the ownership of goods not previously owned, for example, occupancy. Derived titles transfer the property of one owner to another, for example, inheritance, sale-purchase, donation, etc.

208. **Occupancy** Occupancy is the *apprehension* of a thing belonging to nobody, with the intention of retaining it as owner's own. It is the fundamental title necessarily presupposed in all other titles of possession. It is the first act by which a person is brought into direct relationship with anything in such a way as to give rise to ownership.

In fact, it is thus that many goods become even now private property: game, abandoned things, lands not previously appropriated. Intention of appropriating is not enough. The person must manifest that intention outwardly by some sensible sign which really indicates that he means to claim it as his own. Such a sign could be the staking or fencing off land, posting notices, and so on, according to the diversity of objects taken.

It must be, therefore, maintained that occupation is a *primary* and sufficient title to ownership<sup>2</sup>. For it presupposes no other title,

<sup>1</sup> Cfr. P. Marcellus, O.C.D., *Philosophia Moralis et Socialis*, p. 564-569.

<sup>2</sup> In an organised society, the State endowed with the power of jurisdiction over goods and persons can regulate occupation to avoid the monopoly of goods for the benefit of a few and to assure their improvement.



and therefore "it is in itself a most suitable means for determining the right of property in the concrete. Since there is question of apprehending a thing belonging to no one, occupation does not violate the rights of another person: Besides, by it, the intention to retain an object as one's own and for one's own use is sufficiently determined and made known. Hence it is everywhere and among all nations, even among barbarians, considered a sufficient title to the ownership of things which previously belonged to no one"<sup>1</sup>.

209. **Derived Titles to Ownership.** The main derived titles of ownership are: 1) Labour; 2) Prescription; 3) Contracts; 4) Gifts and inheritance.

1. *Labour.* Though labour cannot be considered as a primitive title to ownership, at least universally—for there are many things that are useful and can be appropriated immediately without any labour, v. g., things found, wild fruits, wood in the forest—still this is the most natural title of all the four. Men have by natural right dominion over their own activities and the fruits of those activities; and since they can exercise these activities even on things belonging to others, their labour becomes a title to what they have produced.

2. *Prescription* is another title to ownership, based on the undisputed and uninterrupted possession of property which the holder honestly believes to be his own for a period of time fixed by law. The common good requires that this title be valid when due conditions are fulfilled. Thus, if my home has been *in the family* for generations, and now it is discovered for the first time that my great grand-father's title to the property is not *clear*, the right of *prescription* would make me the lawful and true owner of it and would rule out any contrary *claim* as unreasonable and outlawed by the time<sup>1</sup>.

3. *Contracts.* A transfer of ownership in property is lawfully effected by a contract. A contract is an agreement between two or more persons which begets an obligation on one or both contractors. Suppose a man hires a servant. The agreement of both centres upon the work to be done. The man agrees to pay for the work; the servant, on his part, to do the work. The contract is the most common mode of acquiring property in modern social life.

<sup>1</sup> V. Cathrein, S. J., *Philosophia Moralis*, p. 310.

<sup>2</sup> As a matter of fact much of property in olden times was based on prescription, no one generally being able to produce his own claims back to his first owner.

4. *Gifts and inheritance* are also natural titles to ownership. Here we consider bequest or inheritance in a broad sense, to indicate succession either by will, by which the goods of the deceased are passed on to other individual owners, or *ab intestat*<sup>1</sup>. Inheritance is a legitimate claim for the acquisition of property, because the proprietor has the right to dispose of his goods by will; and in case the proprietor does not indicate his heirs, his property goes, by law, to his children.

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### ARTICLE II

## SOCIALISM

The institution of private property being opposed by socialistic systems, it will be good to examine their arguments, as well as the grievances they have against, and lastly analyse the substitutes brought forward by them. Hence we shall first outline the nature of socialistic systems (especially Marxian); then a short refutation of the same will

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<sup>1</sup> It is the Government's duty to define and regulate the law of inheritance. The inheritance laws cannot but have considerable influence over the distribution of property.



be given; and lastly, we shall explain the true nature of Christian social reform.

**210. Socialistic Systems** *Communism* holds that the State should own everything. While according to socialists the State should own only capital and those forms of wealth which are used for the sake of income, i. e., *the instruments of production*, such as land, mines, machinery, and *those that serve for distribution*, such as rail-roads, steam ships, and financial institutions. Communism, being the most radical, advocates the complete abolition of private property and forcible destruction making use of all sorts of means. *Socialism* substitutes State monopoly for private property for means of production, distribution, and exchange. In general, then, Socialism may be defined as *a politico-economic system which, when the ownership of all income bearing wealth has been vested in civil society, gives to this society the exclusive control over its production and distribution*. Socialism distinguishes two kinds of goods, *productive and consumptive*. Socialistic claims are not opposed to the private ownership of consumptive goods, such as the house one lives in, the clothes one wears, the books one makes use of, etc.; but it is opposed to goods of productive and distributive nature, such as land, factories, railways etc. Socialism, alike Communism aspires to get the political power by constitutional and democratic means, and, once the party is in power, to force socialistic laws in the country. "Bolshevism", which is the modern term of Russian Communism, is characterized rather by the radical and violent means they use to establish and maintain the system than by the radical Communism about property.

It is estimated that there are at present more than 1,000 varieties of Socialism. Some are decidedly communistic, while others offer merely different schemes of social reform. *Neo-collectivism* defends small properties. *State-socialism* holds that the State should administer all the enterprises and institutions. *Agrarian Socialism*<sup>1</sup> proposes the nationalization of the land. *Municipal Socialism* defends that every municipality should own all the enterprises, as well as the land of the locality, under indirect supervision of the State.

**211. Industrial Revolution.** Industrial Revolution, which occasioned the socialistic movement, started in England during the second half of the eighteenth century and has spread itself in all advanced countries. It is the invention of steam-engine applied to different

<sup>1</sup> See below, Article VIII, on *Agriculture*, where agrarian Socialism is dealt with.



industries that brought about a real revolution. Industries created a numerous body of wage-earners, who moved from rural districts and villages to places where factories were centred. The workers' life in those crowded slums near the factories was miserab'le, while capitalists were enjoying large profits, and many a time at the expense of under-paid workers. This state of affairs created, among the workers in industrial countries, a real hatred against the capitalistic class; this spirit was the driving power of the socialistic movement of the 19th and 20th centuries. Working-classes, not being satisfied with a mere social reform and with the betterment of wages system, took as their motto to abolish the whole *traditional system* of private property and to establish the *Socialistic State*. Hence it is said that Socialism has for its *mother poverty of the masses*, and for its *father the wealth of the capitalists* <sup>1</sup>.

212. **History of Socialism.** Socialism has tried to trace its origin now to ancient Greece, now to the first ages of Christianity, and now to the modern era. It cannot be denied that the problem of conciliating private interest with the needs of the common welfare is both ancient and modern. In all times there have been abuses, though never as in our times.

The ideal *Republic* of Plato (429-347 B.C.), certain sermons of the Fathers of the Church and the phantastic *Utopia* of St. Thomas More (1480-1535) have been wrongly claimed by socialists as pre'ludes of their doctrines. It can be, however, said that the Marxian Socialism of our present days was preceded by those generally known as *Pioneers of Socialism*. The original leaders of this movement were Saint-Simon (1760-1825) and Charles Fourier in France, and Robert Owen (1771-1865) in England. They advocated the abolition of the private property as the only remedy for the social evils due to the capitalistic system, and tried to prove that if their theories were carried into practice, the result would be a universal organization of brotherhood. Owen went to America (1824) to put into practice his doctrines, and established there a communal colony which lasted but only two years.

Louis Blanc (1813-1882) and Proudhon (1809-1865) represented in France the transition stage between the Utopian Socialism and the more radical doctrine of Marx and his followers. Blanc's adherents were professors and students of economics, and busied themselves in

<sup>1</sup> Cfr. Frederick Engels, *Principles of Communism*, p. 1-3 (Radical Book Club, Calcutta).



economic theories. They held that the proletariat, aided by the State, ought to take over all the banks, insurance companies, and large capitalistic concerns. The power of the State was thus to be used for the co-operative organization of the society in occupational groups.

213. **Marxian Socialism.** *Modern Scientific Socialism* or the "Marxian socialistic theory" has exercised the greatest influence among all others. Though the theory is controverted among his followers and many of them have abandoned some points, all the same, the Marxian principles remain as a source of inspiration for all modern Socialists and Communists<sup>1</sup>. Marxian doctrine is outlined in the "Manifesto of the Communist Party", issued by Karl Marx and Fr. Engels in 1845 and explained in detailed fashion in the renowned work entitled *Das Kapital*, the first volume of which appeared in 1867. The whole Russian Revolution too has been inspired in Marxian Philosophy.

214. **The Socialistic Indictment.** *Modern Socialism* contends that "Capitalism" or the system of privately owned means of production is unjust, because the private owners take from the workmen, through the power of monopoly, the just fruit of their labour. The labouring class is paid less than necessary for its sustenance. Socialism argues that "capitalistic profits stand in the inverse *ratio* to the worker's wages, and vice versa". Big business, Socialism asserts, corrupts and controls politics, while the press, pulpit and school are largely under its influence. Such conditions are intolerable, and their remedy consists only in an adequate social reform which *Socialism* presents.

215. **Is Socialism a Just System?** As we shall presently see, Socialism is an unjust system, because it deprives both the individual and the family of the natural right to private property.

The right of property, as explained before, is a natural right, not only of individuals, but also of every man in his capacity of head of a family; nay, such persons have a right to possess in proportion to their obligations as heads of family. For it is a most sacred law of nature

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<sup>1</sup> Karl Marx was born of Jewish parents at Trevers, May 5, 1818. In 1824 the whole family embraced Protestantism. The mentality of Marx was influenced by the different countries in which he resided. In Germany he was trained in the philosophy of Hegel, whose *principles of evolution* served as foundation to the writings on Socialism. During his stay in France he was imbued with the principles of popular Governments based on equality and liberty, which principles were to be used in his book "Capital" as the political frame of Socialism. In England was taken over by him the wrong principle on theory of Value (labour) of the then prevailing liberal economists Adam Smith and Ricardo, and adopted as the most forceful weapon against capitalism.

that a father should provide food and all necessities for those whom he has begotten. Again, the law of nature dictates that children, who carry on, so to speak, and continue father's personality, should be provided by him with all that is needful to enable them to live a honourable life amid the circumstances of their mortal existence.

The point to be particularly noted in this argument is that private property is held by natural right, a right not derived from the State, and, therefore, one which the State cannot take away without doing grave injustice to the possessor.

On this point Pope Leo XIII says: "The right to own private property has been given to man by nature or rather by the Creator Himself, not only in order that individuals may be able to provide for their own needs and those of their families, but also that by means of it, the goods which the Creator has destined for the human race may truly serve this purpose. Now these ends cannot be secured unless some definite and stable order is maintained"<sup>1</sup>.

### ARTICLE III

## ANALYSIS OF MARXIAN SOCIALISM

216. The theory of Marx must be studied from three different points of view, each of which is essential to a full and correct understanding of his doctrine, but it is above all, a philosophy involving the whole human life with a materialistic view.

Marxian Socialism is in the first place a *Philosophy*, to which has been given the name of *Materialistic Conception of History*; in the second place, it is an *Economic System*; and in the third, a *Political Movement*. A brief description and criticism of these different aspects will not be out of place here.

### A. Materialistic Conception of History.

217. 1. The Marxian system is based on Hegelian evolution and *determinism*, and claims that economic evolution inevitably leads to the establishment of collectivism.

2. Followers of this theory maintain that the *economic conditions* are the ruling force of the evolution. All history, according to Marx, whether it be history of institutions, of customs, of laws, of

<sup>1</sup> Encycl. *Rerum Novarum*.



literature, art, religion, of social relations, as well as of wars and other political events, fundamentally is based in the *economic factor* which controls the events of history: "The struggle to earn a livelihood." This struggle moulds institutions and creates social classes, including religion. This struggle, they hold, has led to various stages of civilisation.

3. From the beginning of history men have been divided into two *classes*, inimical to each other: rich and poor, master and slave. These classes struggling against each other brought in the *evolution* of the nations.

The conclusion of this theory is that evolution should be continued and must be supported, for in this struggle proletariat will destroy the capitalists. At the present time, says Marx, the struggle is in the last stage; the capitalists and the proletariat are the combatants; capitalism, which has given birth to proletarianism, will ultimately be destroyed by it, its opposite. That will be the end of the struggle, because there will then be a society in which there is but one class, and it cannot make war on itself. So when the long struggle ends, the economic process will be perfect and all human wants will be satisfied. There will no longer be any need for religion; the classless society, perfectly organized for production, will be entirely sufficient for itself. There will be heaven on earth in a *socialistic state*<sup>1</sup>.

218. **Refutation of the above Principle.** Three are the main points to be considered in the principle of Materialistic Conception of History, namely: 1) The fatalism of historic evolution; 2) the economic factor of evolution, and 3) the necessity of class-war for the well-being of nations. These propositions are of such importance that, if any one of them is proved to have no foundation, the Marxian system collapses.

1. With regard to the *fatalistic evolution*, we have to say that it is based on *determinism*. But man is free. If we are predestined and determined, it is useless to speak of justice or injustice, and to become indignant with facts made by men. They should not even try to set up a new social order, for they cannot influence evolution. It would be difficult to find at the present time a philosophy intrinsically more gratuitous and more discredited than materialistic evolution. In the world we distinguish something static (substance) and evolving

<sup>1</sup> Cfr. Cathrein, S. J., *Socialism*, Chap. II.

factors (accidents). Philosophy of evolution rejects permanency (substance of things) <sup>1</sup>.

Evolution, as philosophy, is undemonstrated theory. It is opposed to both God's Providence and human freedom, and it leads to Atheism. As B. Helder says, "it excludes also, both the necessity and the occasion for constituted authority, whether human or divine, since one cannot be held amenable for conduct that is predetermined by circumstances over which he has no control" <sup>2</sup>.

2. *The economic factor dominates history and evolution.* This assertion of Marxian Philosophy would mean that all institutions in human life are determined by the *economic factor*.

To demonstrate the contrary it is sufficient to examine the *great facts* of history and the *principal motives* which guided those who shaped the history of humanity. If there is anything to be learned from history, it is surely the fact that most great movements—social, political and religious—have had an origin quite independent of economic conditions. The growth of ideas, the sudden appearances of geniuses and of saints, personal and national ambition, faith and fanaticism—these are very important factors that have changed the face of society, mostly irrespective of the material conditions of life.

Let us mention here some *facts* and *motives* which have played most important role in history.

*Christianity.* All recognize the influence exercised by the Christian doctrine in the course of history, both in the West and in the East; and yet, Christianity considers as of secondary order the economic preoccupations and anxieties.

*Hinduism and Buddhism* also have exercised great influence in the civilization of the Eastern Nations, but their doctrines touch upon economic affairs as secondary and accessories.

*French Revolution.* The French Revolution, though it was to a great extent produced by economic motives, still it finds its explanation in the theories of Rousseau, in the general desire for greater political liberty and in the anti-Christian spirit promoted by French Philosophers.

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<sup>1</sup> We could answer *ad hominem* to the Marxians, as to all determinists in general, that, if the evolution is inevitable, it is useless to try to influence evolution, as they are doing. Socialists ought to be the most passive men and should never interfere with affairs of any kind. Socialists pursue their aim by all possible means to stir up the passions of the poorer classes against the rich, by conjuring up before the eyes of the working population deceitful visions of a future reign of justice and prosperity.

<sup>2</sup> *A Study of Socialism* (Chap. II, S. III).



The Two Great Wars of 1914-1918 and of 1939-1945 were not initiated only under economic pressure; they brought no economic improvement. They brought gains to those who did not take part in them. It was well known that they would not bring better economic results, yet they were fought with a passion and with sacrifices greater than in previous wars.

Regarding motives, the principal motives by which human nature is moved in different circumstances can be summed up as follows: *Ambition, personal affections, vanity or desire for show, religious faith, political preferences, customs and traditions*<sup>1</sup>.

It is clear, therefore, that the study of facts and motives will not incline any reasonable man to believe in the Marxian principle. Marx himself was obliged to modify slightly his principle so as to admit some influence of factors other than economic, though he never substantially changed his doctrine.

3. *Conflicts of classes between poor and rich will be increased*, says Marx. But Marx confounded certain *opposition of interests* with a conflict without mercy. Opposition of interests between the employee and employer permits a real community of interests to exist between them. If both of them attribute the greater part of production to themselves, both of them are equally interested in the prosperity of the industry in general and of the enterprise in particular. Most people opened their mind to this idea in spite of the tenacious prejudices, after the first great war.

Besides, social classes in our days are not two only, but are *more numerous*, more confused and *less opposed* to one another than in the time of Marx. For there are capitalists, business managers, autonomous producers in agriculture and in small industries, employees and officials of several kinds and professional classes. So the rivalry is not between two particular classes; but, if there is real conflict, there should be between many. If society is divided, it would be in many different classes according to the opposition of their interests. In fact this *multiplicity* and this *confusion* of the social classes serve to moderate, by dispersing it, the conflict which sets one against the other.

## B. Economic System.

219. The Marxian economic doctrine, outlined in the "Manifesto of the Communist Party" by Karl Marx and Engels in 1847, is

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<sup>1</sup> Let us suppose, says Cathrein, that Alexander the Great had been in the place of the Emperor Charles V., or Napoleon in that of Louis XIV; modern history would probably have taken a different course (*Socialism*, Chap. II, Sect. I, Art. III).



explained in detail in the renowned book entitled *Das Kapital*, the first volume of which appeared in 1867.

The *Theory of Surplus Value* and the *Law of Concentration of Wealth* are the two peculiar tenets of *Das Kapital*. Their main conclusions may be summed up thus: 1) *Capital is the fruit of the spoliation of the proletariat*; 2) *It accumulates and concentrates wealth in the hands of a few*; and this naturally prepares for the great revolution which will substitute Collectivism for the existing social system.

220. **Theory of Surplus Value** Marx borrowed his theory of value from the English liberal economists of XIX century, who asserted that the *value of the goods depends upon the amount of labour expended on them*. Marx makes his own this theory, and says that all exchange is based upon the equality of that which is given and that which is received. It happens often that the objects to be exchanged have nothing in common, neither in their quality nor in their physical composition, nor in their utility, nor in their physical and chemical properties. Such being the case, it is necessary to have some point of comparison, some measure common to both, because they are declared equivalent to each other. Now, nothing common to all can be found, except the *labour which they cost*. Hence labour is the value of things. And he intends to confirm his theory by remarking that all things obtained without labour, such as air and light, even though they are useful and most necessary to life, have no value<sup>1</sup>.

From this theory of labour Marx draws a series of conclusions against the capitalistic system:

1. Under capitalistic system the labourer is defrauded of a part of his labour, and it is from this that capital is born. In fact, he says, since all the value of the product comes from the labour required to produce it, all ought to be returned to the labourer. Actually this is not done, however, for the capitalist takes a great part of this and is enriched by it. Consequently he increases his wealth through the work of the labourer. He employs the working strength of the latter without rendering him a complete return.

Marx tells us: Let us take, for example, a ten hours working day: In six hours the labourer produces enough for his subsistence; during the other four hours called over-work, the labourer produces a surplus in value, called a *plus value* which goes to promote and form capital.

<sup>1</sup> Cfr. Marx, *Capital*, Vol. I. Chap. I (The edition quoted here is from Everyman's Library) J. M. Dent & Sons, Ltd., London.



2. Marx continues to say that *plus value* unfairly monopolized by the capitalist will in its turn be used for new production; it will give a second plus value (*surplus value*), and the capital born of the first spoliation will go on accumulating and will be used for new defraudings of the labourers<sup>1</sup>.

3. Marx, then, makes a violent attack against the exploitation of the labourers by the capitalists. He laid emphasis on the abuses which have been produced by the capital during the course of history, and particularly those he witnessed in the English textile and mine industries during the XIX century.

4. Consequently, all capitalists are described by Marx as expropriators of the world's wealth. Marx ends the "Manifesto" with the following words to the workers: *Expropriate the expropriators*.

221. **Refutation of the Theory of Value.** Value, according to Marx, is labour incorporated in the products. But this idea of value is far from being true; it contradicts *facts* as well as *reason*.

*It contradicts facts:* Every day experience shows us that:

a) There are things of great value that have not been the result of labour; for example, a precious stone found by chance.

b) There are other things which have great labour, but have little value; for example, a poorly made product.

c) At times, the same kind of objects keeping the same relative importance, so far as to labour involved, have different values in different times and places: for example, we know of many master pieces which have been differently appreciated in different centuries.

d) There are different objects which require the same amount of labour, but have very different values: for example, two bags of wheat produced by a rich or by a poor soil.

*It contradicts reason:* This theory seems to ignore the fact that in objects we find, in more or less considerable quantity, *elements of "nature" alien to labour*. Again, it misses the fact that value has *relation with goods and desires*, and it is influenced by the intensity of the latter more than by the cost of the labour<sup>2</sup>.

<sup>1</sup> Cfr. *Capital*, Vol. II, Chap.V.

<sup>2</sup> It is the common doctrine of Catholic theologians that the price or exchange-value of an object depends not only on the labour expended in its production, but also on many other circumstances, on the utility of the commodity, on supply and demand, etc. Thus St. Thomas (*Sum. Theol.*, 2-2, q. 77, a. 2 ad 3) declared that the price of an article is determined not by the degree of perfection of its nature, but by the utility which man derives from the object in question (See also below, Part. 2, chap. 3, art. V).



222. *Observation.* There is evidently much of fantastic and arbitrary in the theory of "Value" of Marx. "The theory that labour is the sole source of Value has few defenders to-day. In the face of the overwhelming criticism which has been directed against it, even good Marxists are forced to abandon it, or to explain it away" <sup>1</sup>.

Even though Marx would have wished to apply his theory of Value to the products of the factories, we can refute labour theory of Value by recalling obvious facts of experience that, though the joint action of both capital and labour is required for production, still each is in its own order the cause of the whole product; and the proportion of the contribution of either is as difficult of determination as the procreative contribution of either parent to their common offspring. In so far, therefore, as the alleged right of labour to the whole product is based upon the Marxian theory of Value, it has not validity. "It is, therefore, entirely false to ascribe the results of their combined efforts to either party alone; and entirely unjust that either should deny the efficacy of the other and arrogate to itself the whole product" <sup>2</sup>. We should not also forget that, besides the *interest*, are due to capital *profits* on account of *risk*, *depreciation*, etc., which are found practically in every enterprise.

223. **Law of Concentration of Wealth.** Another fundamental tenet of the Marxian system is the assertion that the present capitalistic order of production necessarily leads to an increasing *concentration of all industries and capitals*. He asserts that at last all small industries and capitals will be absorbed by a few *industries and capitalists* <sup>3</sup>.

Marx concludes: Capitalism creates immense multitude of proletarians each day becoming more numerous, more miserable, more exasperated at the sight of the wealth of the minority. The embittered conflict of classes will bring a cataclysm when the actual order of things will have to make way for *Collectivism*.

Marx pretended that in the industrial evolution which was taking place, the small enterprises would disappear making room for greater ones, so that the result would be impoverishment of the masses and increase of the wealth of the few, preparing in this way for a general revolution <sup>4</sup>.

<sup>1</sup> Skelton, *Socialism: A Critical Analysis*, pp. 121-122.

<sup>2</sup> *Quadragesimo anno*.

<sup>3</sup> Cfr. Marx, *Capital*, Vol. II, Chap. XXIII.

<sup>4</sup> It seems that Marx's views were due to the fact that he lived in times when the great industries in England with great expansion of capitalism were being established, and the small industries, unable to compete with the big ones, began to disappear.



224. **Refutation of the Law of Concentration of Wealth.** This prophetic vision seems to be very limited; for here the facts contradict his assertions.

1. It is true that large fortunes have greatly increased in number and in importance; but it is equally true that the average fortunes have been also in the *increase*. If at present there are in industrial countries more multimillioners than ever before, and the standard of the ordinary people too is much higher, according to statistics, of different countries the number of people with a regular income has increased, though not perhaps at the same pace as the industrialists. In advanced countries of Europe and America the petty and average owner has invested more than half of the total shares of the companies.

However, there is some truth in what the socialists say that there exists a tendency in the modern industries, commerce and finance to monopolise and to form groups of magnates; but the fact remains that there is also a very marked tendency in all kind of enterprises in favour of wider distribution of shares<sup>1</sup>.

The general trend of the legislation of nations too is to regulate income-taxes proportionately: Thus average people are not highly taxed, while large incomes are taxed and super-taxed. If due consideration is given to the fact that many owning workmen are exempted from income-tax, there is reason to say that more than half of the industrial and commercial capital belongs to small savings in several countries<sup>2</sup>.

2. *The smallest incomes* or wages are also increasing. When we say that there is increase of wages, we do not mean a mere increase of wages in money, but in *actual wage*, that is, the relation of the nominal wage to the cost of living or buying power of the salary.

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<sup>1</sup> Cfr. Cathrein, *Socialism*, Chap. II, Sect. II, art. II, where he says: "If we compare the productive establishments in general, excluding agriculture and forestry, we learn from the statistics of the German Empire that industries on a small or medium scale are growing more numerous rather than reverse, though not increasing at the same rate as industries on a large scale."

<sup>2</sup> In this connection Fallon says: "Since the World War I, a very marked and very rapid replacement has arisen in the distribution of wealth and especially in industrial ownership. According to the income statistics, corporation stock passed very rapidly into the hands of the small savers after 1918. In 1916, more than 80% of the dividends were collected by people having an income of more than 20,000 \$ (U.S.) per year; in 1924 only 47% of the dividends went to people with incomes of from 1,000 \$ to 5,000 \$" (Principles of Social Economy, p. 164-165).



Perhaps the proportion of the increase of the labourers' wages may not equal the proportion of the big capital, but as a whole the labourer's wages are higher than the income of the capital taken all together<sup>1</sup>.

From this it is clear that, in spite of the predictions of Marx, the present economic system is in full progress and tends to bring about a marked improvement in working classes.

Yet the trend of Marx's argument on the theory of value supplies the ignorant masses with a false mysticism, which exercises over them a magic power making them bold in their work and hard in their fight.

### C. Socialism as a Political Movement

225. Socialism is not merely an economic system holding that *all the means of production and distribution should be owned by the State*; it entails also a political programme. Socialism holds that the State is to become the sole owner and administrator of the means of production and distribution. Such change, however, should not be effected brusque and violently as the anarchists and communists wish, but by legal and *constitutional* means; that is to say, by means of ballot box, elections, legislation passed by democratically representative assembly. But once Socialism is in power, the next step would be the expropriation of all the means of production and distribution. Marx borrowed his political democratic ideas mostly from French philosophers of the school of Rousseau proclaiming liberty, fraternity and equality. But actually Marxian Socialism considers the democratic system only as a means to scale the power; once in power, it does not allow freedom to set up any other system.

226. **Remarks.** The most important instrument of Socialism to obtain power and to establish its rule in a country, is political propaganda. Socialism has always appeared as the lover of democracy and as the champion of the *cause of the workers*. With such high sounding words the socialists entice the simple people and gain their votes. The majority of the workers are usually untrained in the art of politics and are not able to distinguish the *right* and *wrong* of the same, and thus they are caught in the socialist trap of half truths<sup>2</sup>.

<sup>1</sup> The Labour Bureau of France published in 1911 a volume entitled *Salaries and the Cost of Living* at different periods up to 1910 and gives the following statistics: Wages had increased 175%, while the cost of living had increased but 40%.

<sup>2</sup> Some of the Socialistic half-truths are: 1) Labour does not receive its share of the products. 2) Wages are immoral.



The socialists, before they come to power, proclaim loudly that they have nothing to do with religion, since their programme is essentially economic one. But as a matter of fact, with the majority of members in the Legislative Assembly, they soon do away with true liberties and with the religious freedom. Not satisfied with this, they bring in force anti-religious laws with which they intend to rule the nations. Witness of it is the policy followed by them in Russia, Spain, Mexico, etc.

As a matter of fact, political Socialism has always antagonized the Church and religion, though it has not been equally violent in every country. They all accept the Marxian dictum that "religion is the opiate of the people", meaning that it keeps them enslaved.

In this matter Pope Pius XI has pronounced the verdict in the following words: "Whether socialism be considered as a doctrine, or as a historical fact, or as a movement, if it really remains socialism, it cannot be brought into harmony with the dogmas of the Catholic Church, even after it has yielded to truth and justice in the points we have mentioned; the reason being that it conceives human society in a way utterly alien to Christian truth"<sup>1</sup>.

"If the Church, says Mgr. Stang, deprecates the form of government in the new State planned by socialists, it is because the so-called government would be unbearable tyranny; it would be no government whatever, but anarchy, chaos and confusion"<sup>2</sup>.

That is why the Catholic Church is so opposed to Socialism. Socialists themselves realize that their long and bitter struggle will be against the Church of Peter. The converted socialist, David Goldstein, spoke from experience when he wrote: "It is my personal conviction, that upon the religious aspects of this issue the fight now centres around the Catholic Church—which is the first and only Church that has boldly taken up the gauntlet thrown down with scorn and defiance by Socialism. This Church is not only international or rather universal, but it is erected upon a basis—which gives it the strength to cope with the aggressions of the approaching foe . . . They may be assured if this Institution fall in the fight (if that were possible) all religions, sects and cults would collapse in ruins"<sup>3</sup>.

## CONCLUSIONS:

I. Socialism is a philosophy untenable, since it is based on pure materialistic evolution.

<sup>1</sup> Encycl. *Quadragesimo anno*.

<sup>2</sup> *Socialism and Christianity*, p. 24.

<sup>3</sup> *Socialism*, p. 10.

2. Socialism denies man's supernatural end, the fact of original sin, and logically providence.
3. Socialism is based on false and unproved economic theory.
4. The socialistic's ethical concept of the equality of man proves too much.
5. Socialism is one of the most complete syntheses of philosophical school that has ever been incorporated into a plan of living.

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## ARTICLE IV

**PRACTICAL VALUE OF SOCIALISM**

227. In the supposition that Socialism, is free from all its religious and philosophical errors, and that its theory of "no right of property and capitalism" is not based in class-hatred, can it be called a good and practical socio-economic organization, that where *all means of production and distribution are owned by the State*?

**A. Socialism is an Impracticable System in Man's  
Present Condition**

228. I. **Socialism impracticable in great scale.** When we say that Socialism is impracticable, we mean that it is morally impossible to form a stable and peaceful regime of democratic character with principles of equality, taking men as they are—with all their selfishness and passions.

It has been said in favour of the practicability of Socialism that Religious Orders of the Catholic Church are perfect communistic regimes. If it is practicable in a small scale, why should it not be practicable in entire nations? There is no parity between Religious Orders and Socialism. Religious are few in number, and they freely and voluntarily renounce all earthly goods in order to devote themselves to the service of God and fellowmen. Such things are possible for a few chosen ones animated with high ideals of perfection, but not for the generality of the people. Considering the weakness of human nature, it is morally impossible that all nations rise themselves to such a height of self-denial, as socialistic system demands.

The formula of a socialistic state should be: "From each one according to his ability, and to each one according to his need" <sup>1</sup>. But have the majority of the people reached or can they reach to such a standard of self-denial as to sacrifice themselves for the general good?

The socialistic contention that, though men are not imbued at present with high ideals, nevertheless, owing to the altruistic sentiments and public honour, they will reach in course of time high in per-

<sup>1</sup> In the rule of the Carmelites it is read: "Si quis non vult operari, non manducet . . . Sint vobis omnia communia . . . et distribuuntur unicuique . . . prout cuique opus erit, inspectis aetatibus et necessitatibus singulorum".—"If a man will not work, neither let him eat . . . You are to have everything in common and shall distribute each one whatever he may need according to his age and necessities."



fection, is an idle talk, because we practically see that the so-called "Socialists" are becoming day by day more egotistic and selfish. Human nature is rather weak and selfish, and there is no reason to believe that in future it will be otherwise<sup>1</sup>.

One thing is certain, that all the socialistic experimentals hitherto tried in different countries during XIXth century all have ended in a failure. It is more than a quarter of century that Soviet experiment is going on, and still their prevalent formula for production and distribution of goods is: "From each one according to his ability, and to each one according to his work". Soviet Resolution, instead of doing away with Czarist aristocracy, has brought in socialistic bureaucracy and Soviet proletariat. Very reliable eye-witnesses assure us that there is as much interval in matter of salaries and distribution of goods in Russian bureaucracy as in England and U.S.A. Russia cannot be called Socialist State, since *private property* and *exchange* are allowed. The so-called "Communism" of Russia to-day is, economically, very different from the Communism taught by Marx and inaugurated by Lenin.

229. 2. **Imposed Socialism possible.** If the people of a country would willingly renounce their right of property and accept socialistic system, we would have nothing to say against it. But as stated above, such situation is not possible, owing to human weakness. It is quite possible, however, to enforce some sort of socialistic system in a country through sheer physical or moral force. History, both ancient and modern, bears witness of the most absurd and tyrannical social systems, not excluding slavery, which have been forced into nations by cruel despots. Physical force and fear can cajole people to such an extent as to accept, at least for a while, any social system. But as nothing violent can last, such systems are liable to disappear. Has socialistic system been actually imposed in any country?

Russia claims to be a democratic State. But can it be so, when, at its very start, a minority imposed violently their will on the majority? Besides, Soviets carry on their system by means of a force of particular character. They may call it *psychological* force or *propaganda*; but all the same, it tends to coerce the mind of the multitude. It is well known that Soviet propaganda has worked effectively only among ignorant Russian people. This propaganda is organised in such a way as to dupe completely the people as regard the blessings it affords, by picturing with black colours the miseries of the so-called capitalistic

<sup>1</sup> V. Cathrein, S. J., *Socialism*, Chap. IV.



countries; and this distorted picture of capitalism is given as the only possible alternative or substitute of the socialistic system. This explains why the ignorant people in Russia adhere to Soviet system, one would say with enthusiasm. During the last generation, the Russian public has been taught that the private ownership is the greatest social evil. William L. White, after his return to U.S.A. from Russia, gives the following impression: "Slowly I am beginning to understand this place (Russia) and its people,

"Suppose you had been born and have spent all your life in a moderately well run penitentiary, which kept you working hard and provided a bunk to sleep in, three daily meals, enough cloth to keep you warm. Suppose the walls were covered with posters explaining that freedom and justice could be found only within its walls; that outside there were only disorder, strikes, uncertainty, unemployment, and exploitation of workers, while this place was being run only for your benefit. Suppose it was explained that the wardens and guards were there largely intended to protect you from the malevolent outside world.

"Needless to say, if anyone tried to release you or menaced you with a parole, you would fight like a tiger" <sup>1</sup>.

The pretended Russian Socialism is imposed on the people both by physical and psychological force.

230. 3. **Socialism incompatible with Freedom.** Socialism is democratic only in so far as it is expedient to obtain its ends; once in power, it proclaims a crude *dictatorship of the proletariat* and subordinates all individual rights to the Absolute State or to so-called "collective whole." Socialism strips man of liberty and robs human personality of all its dignity in the name of collectivism. Again, the moment it gets into power its ideology becomes a *dogma* and none can either discuss it or attack it; consequently all freedom, either of the press or of speech, is out of question. The only things that can be discussed are those which are not in contradiction with the socialistic ideology. As a true totalitarian system, the motto of Marxian Socialism is: "Nothing outside or above Socialism, nothing against Socialism, everything within Socialism, everything for Socialism." This language indeed does not sound democratic.

<sup>1</sup> Report on Russians, *Reader's Digest*, December, 1944.

The conception of freedom in Marxian Socialism becomes an enigma for Western people. Actually in Russia the conception of freedom moves round socialistic system. There is freedom in so far as it is expedient for the development of Socialism. Hence, no opposition of parties is allowed, no eulogy of capitalistic system, and no talk against Soviet system. As a consequence, there is no right to form independent Unions, no right to strike, not even any right to change jobs. In all this, Soviet policy is definite. Whatever is advantageous to the working of their system is permitted. In this enforced way Socialism is quite possible, especially in backward countries. All the same, one of the essential conditions of a reasonable Socialism is missing here, namely, the principles of *equality* and *freedom*. When Soviet diplomats sit at conference with the diplomats of Western countries, it is but natural that they may find impossible to come to an understanding, since their views as regard politics, freedom, economy and moral values, are different and even contrary.

*Corollary.* The Socialism which has been *possible* to be established in Russia for the time being, is a Dictatorship of the Proletariat forced on backward peoples, and where the system is kept by moral and physical coercion and where the freedom of speech, press, politics and any other freedom opposed to the system is wiped off. Though such Socialism is possible for a while, yet it cannot last long.

### B. Economic Value of Socialism

Now, leaving aside the question of the practicability of Socialism, we could argue still with the socialists in a more practical ground, in that of economic field, and ask them the following question: Under economic aspect, which is more effective and practical—the system of competition or Socialism? <sup>1</sup>.

231. **Socialist System produces less** Socialists usually contend that in socialistic system there will be more production, because there will not be so much waste and competition as in the capitalistic system. But we can retort saying: History shows and psychology of men teaches that all socialistic systems have decreased the production, and consequently have decreased general wealth. Some of the reasons are:

1. Because by suppressing all ownership of the means of production, Socialism takes from the producers the powerful and tenacious *stimulus*

<sup>1</sup> Cfr. Ely, R. T. *Outlines of Economics*, Chaps. XXIV-XXXIII.

Davis Jerome. *Contemporary Social Movements*, Chap. VI.



of *personal interest*. Competition system is a system of personal success or ruin: hence it induces private enterprises to establish and conduct their industries with the greatest activity, and to maintain themselves in high level among the competitors. On this account production increases; while without it, Production would decrease and the quality of the products would deteriorate.

2. Because management and supervision in a Socialistic State are less efficient, for the simple reason that the managers appointed by the State are not usually the best ones, since the appointments are made by favouritism or by routinary customs. As a fact, the State has been considered always and everywhere a very poor manager.

3. The general wealth would suffer, because of the enormous expenses entailed by necessary supervision, control, accounting and administration, which are always more complicated and more expensive in public than in private enterprises.

4. Socialism would waste wealth also. The case with the modern States is that they are good in increasing debts upon debts, but they have not yet shown ability to economise. State officials must please too many people, and it is easy to do so by freely giving at the expense of the public treasury.

232. **Socialistic Claim** To explain the practicability of Socialism in economic field, socialists allege the achievements of government enterprises in our present system, as the post office, railroads, telegraphs, telephones, waterworks, lighting plants, etc.

But we must keep in mind that the publicly operated enterprises are subject continuously to the indirect competition of private managements. By far the greater part of industry is now under private management, which sets the pace for efficient operation in a hundred particulars. As a consequence, competition is naturally provoked between public and private management, and the former is subject to constant criticism. The managers of the State concerns are stimulated, and practically compelled, to emulate the success of private management. This factor is probably more effective in securing efficiency in public industries than all other causes. In the words of Professor Skelton, "a limited degree of public ownership succeeds simply because it is a limited degree, succeeds because private industry in individual forms or in the socialist joint stock form, dominates the field as a whole. It is private industry that

provides capital, private industry that trains the men and tries out the methods, private industry that sets pace, and—no least of its services—private industry that provides the ever-possible outlet of escape ”<sup>1</sup>.

233. **Soviet Russia** It is alleged in favour of Socialism the success of the Soviets in the economic aspect. It must be admitted that Russia has been able to increase very considerably her production and her economic wealth under Stalin, and that Soviets have been more efficient and beneficial to the people at large than the Czarist governments. The increase of production has been due mainly to the large scale industrialization, which was easy in a country having endless resources as Russia. The new industrial machineries are bound to produce much more with large scale industries than with old traditional industries. We repeat, however, that this is not due to the system, but to mere introduction of modern industries, which has been done in a more efficient way by most of the Western countries.

Though people in Russia are better off and more satisfied with their present system than in the times of the Czars, yet Russia, according to the information of reliable reporters, in no respect can be compared with the Western countries. The standard of living of Russian workers is inferior to that of the workers of advanced countries. It is no excuse to say that the lower living is due to the lack of technical experience, because the Soviet had more than a quarter century to correct these things. According to the accounts of reliable reporters, in spite of the gigantic plans of production, the main characteristic of Russian Socialism is all round inefficiency in economic sphere<sup>2</sup>.

### CONCLUSIONS :

a) Marxian Socialism calls for enslavement of the whole man, completely destroys personal liberty, and degrades man to the level of a machine or tool.

b) Socialism, because it attempts the psychologically impossible, implies the complete frustration of man.

c) Communism is the direct antithesis of culture. It is in opposition to the whole age-old tradition what is a sure indication of the impracticability of Communism.

<sup>1</sup> *Socialism*: A critical analysis, p. 219.

<sup>2</sup> Nicholas Timasheff. *The Great Retreat*. Chapt. II-III. New York: E. P. Dutton & Co., 1946.



d) Socialism as a social force is purely negative. It would unmake the society it pretends to save and bring about the cultural collapse it pretends to avert.

### C. Note on Soviet Russia

234. Till recent years general considerations taken from human nature and psychology were brought against the practicability of the Socialistic system. At present, however, we have the socialistic experience tried in Russia, and thus we can judge it *a posteriori* by examining the operations of the Communistic system in Russia.

But can we say that Socialism has been working successfully in Russia, true to its democratic principles? Reliable reporters testify to the contrary.

To those who allege the example of Russia as a democratic system we would tell to bear in mind the following facts: 1) That Soviet Union is not a democratic socialism. In the words of President Roosevelt, in February, 1940: "The Soviet Union, as every one knows who has the courage to face the facts, is dictatorship as absolute as any dictatorship in the world."

2) That in Soviet Russia there is no socialistic system strictly speaking; for there are private capitals, since the people can get any amount of unproductive goods and can subscribe to Government loans as in other countries.

3) That there is no political freedom in practice, as the great purges prove. There is no right for the workers to organise themselves, to form independent Unions; the right to strike is not recognised, nor the right to change domicile and jobs<sup>1</sup>.

4) That there is not in it the equality proclaimed by Socialism, since it is well known fact that some jobs are very highly paid while the ordinary worker gets scarcely enough for his maintenance<sup>2</sup>.

<sup>1</sup> Cfr. Manya Gordon. *Workers Before and After Lenin*. Chapt. II-V. New York: E. P. Dutton & Co., 1941 and David Dollin. *The Real Soviet Russia*. Chapt. V-VI. London: Holles and Carter, 1947.

<sup>2</sup> The spread between the rewards of managers and workers is much greater in Communistic Russia than in capitalistic Switzerland. - (*The Reader's Digest*, p. 107, November, 1945).

5) The general economic status and the standard of living has not been appreciably bettered except perhaps among the lowest classes.

6) Russian Socialism naturally has developed into a bureaucracy. Power is so completely concentrated in the hands of the ruling group that the rights of the ordinary citizen are in constant jeopardy<sup>1</sup>.

This is the sort of socialism established in Russia. It is no remedy against the abuses of capitalism, and much less a system satisfying the natural desire of man for individual and political freedom. We shall add here the words of Basque politician Aguirre: "Communitic system is opposed in many ways to the nature of man, and I am ure that in the end man will triumph"<sup>2</sup>.

### D. Communism In India

235. English administration in India has been traditionally opposed to the extreme social systems; hence all dangerous social movements were kept more or less within bounds. This is the reason why Communism as such is of recent growth in India. It first started as an underground movement, fishing in troubled waters. Its agents fomented disorder and confusion as *agent provocateurs*. In the serious strikes of Bombay in 1929 the hidden hands of Communists were visible. In other parts of India, like Punjab and Bengal, Communism carried on subversive activities. The Madras and Coimbatore Conspiracy cases in 1941 clearly showed that Communists were the inner and outer forces of the same.

Communism could not do more, because its organization was declared illegal and its chief leaders were in prison. But when the exigencies of the last war obliged the Government of India to lift (July, 1941) the ban laid upon it, Communism gathered great momentum. In 1941 the Communistic Party had in their rolls 4,000 members only. By 1943 their number rose to 16,000; and in August, 1946, it counts 50,000 members (Cfr. *Peoples Age*, August 1946). Around the 50,000 regular members there are many hundred thousands more of sympathizers, whose number is continually increasing. This was clearly manifested in the last general elections of April, 1946, when the Communistic candidates had abnormally considerable poll. In Madras Presidency alone, in spite of the great popularity of the Congress, the

<sup>1</sup> Cfr. Victor Kravchenko. *I Chose Freedom*, Chaps. III-V, 597 Fifth Avenue, New York 17, N.Y.: Charles Scribner's Sons, 1946.

<sup>2</sup> *Escape to New York, Via Berlin*, p. 309.



number of Communistic votes exceeded 100,000. The number was not less in Bombay, Calcutta and Punjab. Even these results do not fully reveal the strength of Communism in India, because the very Trade Unions of India seem to be under Communist influence. There is hardly a labour union or Kisan Sabha, whose leadership has not been seized or has not been brought under Communist influence. The same is the case with the Railway Labour Unions, the best Labour organization in India. According to the statistics of 1940, there were in India 711 organised Trade Unions with 513,000 members, which number has been now almost doubled; but most of these organizations are being fallen under the spell of Communism.

At present Communism boasts to be one of the best organized and most disciplined political parties in India (Cfr. Pamphlet, *Congress and Communism*, by P. C. Joshi). It has its English and Vernacular magazines and papers, like the "People's War" and "People's Age" enjoying a great circulation all over India. The "Soviet Union News" is a high class magazine strongly appealing Indian intelligentsia. But Communism is liable to advance specially among the famine stricken masses and industrial workers, and many from the 65 millions of depressed classes may fall easy a prey to Communist propaganda.

Once India has attained independence, the National Congress has split into three political sections, viz., Conservatives, Socialists and Communists. Which of these parties will command the situation? At present the Conservative element is the most influential and is in power; but it is difficult to say how long things can thus continue, as a great section of the intelligentsia shows strong leanings towards Communism. One can see that this is greatly due to the admiration the Indian intelligentsia feels for Russia, which has been able to make rapid progress in matters of industrialization and in some other lines.

It is, however, worth realizing that conditions in India and Russia are not the same. First of all, the material resources of Russia are much greater than those of India for a Socialistic experiment in great scale; second, India is a densely populated country with no much open territory to fill up, while Russia has five times the area of India with less than half its population; thirdly, in Russia the people as a whole had and has a standard of living considerably higher than in India; fourthly, Russia started her experiment with an energetic people, braced by a vigorous climate, while India lacks such climate and energy.

If Communistic system were to be forced on Indian people, it may last long, since the people lack energy to react and to shake off such an oppressive system, and because the sense of individual freedom and dignity is not sufficiently developed among the ordinary people.

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### ARTICLE V

## NOT SOCIALISM, BUT SOCIAL REFORM

**Communism cannot be stopped by refutation, but only by social reform.**

236. From the previous questions, where we have strongly defended the right of property no one should conclude that we are under capitalist influence. We defend the right of property, because it safeguards what is more solid in our individual and social life; but we strongly denounce the abuses it is open to. Indeed, it is easier to defend private property than to defend private owners. In this question, as in most other social problems, we think the *via media* is



the most reasonable in order to solve the conflicts. Here is a synthesis of our principles in this matter.

**237. Individual and Social Aspect.** When trying to bring about the social reform, we must consider man under two different aspects: as a mere *individual*, and a member of society—a *citizen*. These two aspects are the outcome of the very constitution of man; for, as Aristotle says, man is “Animal politicum et sociale—a politico-social animal.” Man can be considered *theoretically* as an isolated individual, independent of society; nevertheless, for all practical purposes he exists in society. Under the inspiration of the Philosophy of individualism, individuals tend to consider their personal interest only.

In the light of this doctrine the right of ownership too must be considered under its *private* and *social* aspect. Thus, though the individual right to possess is prior and above society and civil authority, the social aspect of this right cannot be ignored, as unhappily did the Romans when they defined ownership saying: “Jus utendi et abutendi.”

The individual and social aspect of private property should be carefully balanced in its application, in order not to strike upon *Scilla* by avoiding *Charibdis*. If we are too much bent on the individualistic tendencies, there is the danger of *Liberalism*; while exaggerating the social aspect of property, we may become *Socialists*. This idea is strongly emphasised in the Encyclical *Quadragesimo Anno* in these words: “There is, therefore, a double danger to be avoided. On the one hand, if the social and public character of ownership be denied or minimised, the consequence is Individualism, as it is called; on the other hand, the rejection or diminution of its private and individual character necessarily leads to some form of Collectivism.”

**238. Social Reform.** *Rerum Novarum* of Pope Leo XIII is a landmark in the history of social reform, because it was a solemn protest against the intolerable conditions of the working classes and against the economic exploitation of capitalism. “*Rerum Novarum*” is the cry of the Vicar of Christ for Social Reform.

The main evils to be remedied by the social reform are abuses of capitalism or individualism. The essential feature and aberration of capitalism consists, on the one hand, in the *concentration of wealth* in

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\* For Socialists, man is so perfect as to submit himself willingly to the sacrifices which involve the working of communistic system. For Liberals, man is so upright as not to require the interference of the public authority in mutual dealings.



the hands of a few, and in the multitude of propertyless wage-earners on the other; and because of it, the latter are completely depending for their livelihood upon the former<sup>1</sup>. This concentration of the wealth brings in the insecurity of livelihood for the average citizens, and this insecurity constitutes the greatest evil of capitalism.

The remedy, therefore, lies in the diffusion or more socialization of ownership, both *nominal* as well as *real*. By *nominal* ownership we mean money in different shapes, bank accounts, cash, loans, cash certificates, even houses where one lives in, etc. This division of ownership is desirable, because it gives security to those who possess them.

*Real* ownership means ownership of means of production in whatever form, specially land (agricultural reform), and industries (industrial reform), so that the real reform demands the diffusion of this kind of property among the greatest number of people.

The diffusion of land property may take place by proper parcelation of land, while the diffusion of industrial property must take place by extension of small industries and by sharing of the shares of big industries by the greatest number of people.

The diffusion of nominal ownership is undoubtedly good; but it must be made clear that it is a poor second best to the diffusion of the ownership of the real means of production whether agricultural or industrial. In England, ex. gr. people are rather well off, because though propertyless, they have nominal wealth to a certain extent, but they have no real property and have, therefore, no control at all of the means of production, and consequently their insecurity was always a menace.

The Social Reform must also affect directly working classes. As regards shares of the working classes, it must be insisted that workers share equitably in the wealth produced by them; that enterprises become joint partnership with the interests of the owner and the worker welding into one (share-holding or profit-sharing); that they are conveniently housed; that sanitation among them is properly looked after; and that schools are provided for their children. The rich and wealthy will care better of themselves. The weak must be protected in a special manner. The work of women and children must not be ex-

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<sup>1</sup> England, before the Labour Party has tried to introduce social reforms, was a capitalistic country. For in England the effective ownership of all means of production was in the hands of 10 per cent of the population, and 2 per cent of the population had nominal ownership of 70 per cent of the means of production and effective ownership of 75 per cent of the means of production.



exploited, nor their health suffer by their work. Provisions should be made against accidents and old age. Promiscuous work of men and women in mines and factories should either be forbidden or strictly regulated. The maximum number of hours of work, varying in the different industries, should be fixed<sup>1</sup>.

The social reform, which is to be preferred to Socialism, must necessarily include all the above-mentioned points. They are being applied in most countries in Europe. It is gratifying to see the modern Socialists so near to the Social Reform proclaimed in the Encyclicals of the Popes. The motto should be, "as the national income increases, so should the advantages of the working classes increase."

Let us, however, never forget that private property and private initiative are the *keystone* of civilization in the field of economy. To disregard it would be to decivilize ourselves and leave the society to the mercy of Communism. We must remember that too much socialization is as bad as too much individualism.

*Private property is not capitalism.* Private property, to some people, means the same thing as capitalism. This is not correct, because in a real capitalistic State very few persons own property. The distinction between capitalism and true distributionism may be made thus: the economic system in capitalistic State is based on *employment*; in the distributive State on *ownership*. There are, of course, a few owners in the capitalistic State, just as there may be some employers in the distributive State. But the great majority in the former system will be mere wage-earners while in the distributive State the majority will be owners, obviously small owners of industrial concerns, stocks, bond, etc.

The accumulation of property in the hands of a few and the evils that come of such accumulation provoked the Proudhon's dictum "property is wealth." This is true only in so far as it refers to the undue concentration of wealth.

**239. Role of the State.** The rights of the poor and weak should be protected by the law from the abuses of the strong: hence the State should interfere with social legislation and introduce social reform, avoiding however the excessive socialization or Collectivism.

According to Liberalism the mission of the State is limited to two points: The protection of the individual rights; and the maintenance of a free market without its interference.

<sup>1</sup> See Part I, Chapt. II, art. III.

But this Liberal conception has been denounced long ago and vigorously combated by Christian economists; and, thanks God, the liberal army is everywhere retreating and even being overthrown. Oftentimes it is stated that the present system is based on economic liberalism. This was true in the last century; but is not true to-day, when there is such an advance in social legislation in most countries.

Not only the State is entitled to promote the diffusion of ownership and the welfare of the poor by legislation, but the State might take control of certain enterprises if the capitalists' abuses are to be avoided and common good promoted.

It has become almost common doctrine among sociologists that public authority should own, as a necessary evil, the productive means of the main industries, the ownership of which would place too much power in the hands of private enterprises. Many Governments, which repudiate the appellation of *Socialist* or *Socialistic*, carry on the nationalisation of some key industries. Pope Pius XI probably had these industrial concerns in mind when he wrote: "For it is rightly contended that certain forms of property must be reserved to the State since they carry with them an opportunity of domination too great to be left to private individuals without injury to the community at large"<sup>1</sup>.

*Intermediary groups.* But we must understand that although the Christian Democratic parties do not any longer trust capitalists and commercial classes to carry out the task of reconstruction, still it does not follow the State should be entrusted with such task. "Intermediary group" may be used for the purpose. In Austria they have devised (August 1946) plant cooperatives making the nationalized enterprises independent of the government. In Bavaria, another Catholic State, they have written into the Constitution (ratified December 1, 1946) the principle that nationalized enterprises should be operated by public corporations such as townships, co-operatives, and the like—not by the State. In France where they share power with the Socialists and Communists they have mitigated the dangerous effects of nationalization by placing the enterprises under councils in which the representatives of the State form only a minority. It is noteworthy that in England, where no Catholic party exists, the nationalized enterprises have been placed under the orders of ministers, i.e., of the government. Deeply ingrained traditions of fair play will prevent patent abuses, at least

<sup>1</sup> Encycl. *Quadragesimo anno*.



for the time being; but reliance on fair play in politics is always of dubious value<sup>1</sup>.

**240. Mitigated Socialism** It has to be observed that a considerable mitigation has occurred, especially since the Great War II, in the socialistic proposals concerning land and industries. Now socialists of most countries do not propose the *transfer of all industries to State ownership*, but of only the principal industries (Reformism). American Socialists in 1932 demanded not complete nationalization, but only socialization of mines, forests, power resources, public utilities dealing with light and power, transportation and communication, and basic industries<sup>2</sup>.

Obviously these are much milder than those of the traditional Socialism. They take into account only the principal industries or the *basic* industries in addition to certain natural resources. The same ideas prevail after the Great War II among the socialists of France, Italy and England. This means evident recession from traditional Socialism. The policy of Labour Party in England and their programme mean only the socialization of the biggest mines, a few key industries and some of the means of transportation. Such Socialism, without doubt, is not incompatible with the essential principles of the present traditional system. In fact within the very broad limits of Catholic social teaching there may be different Catholic social parties.

**241. Our Tactics with Socialists.** The bearer of Christian doctrine should not run after the Socialist and seek their good will on the ground that their social demands are now advocated *also* by us. No, it is better to demonstrate to them that these demands have come down to us from early Christianity, and that they are defended much more efficaciously by the power of Christian Charity<sup>2</sup>. So it is indeed! The protest of Socialism against the exploitation of the labourer, and the clamour of Socialism for an economy that will secure for all classes a right distribution of material goods, etc., all this is Christian heritage, founded upon the fact that all men are children of God. Socialists can derive these demands from the truths of natural reason, while we can prove them from truths of natural and supernatural order.

*Can a total nationalization of means of production be justified?*  
Total nationalization of industries, etc., we think, is not permissible,

<sup>1</sup> "Which way is Europe Drifting?" by N. S. Timasheff, "Sign" June, 1947.

<sup>2</sup> Encycl. *Quadragesimo anno*.

because it is in opposition to the natural rights of individuals and families to the property. To admit on the one hand right to property and at the same time suppress the actual exercise of the same seems a flagrant contradiction. Pope Pius XII has expressly disapproved total nationalization, because "it leads directly to totalitarian system and omnipotent State"<sup>1</sup>. It is no justification that compensation has been paid for to the owners, when it would not be sufficient reason to say that nationalization has been carried out by constitutional means; for majority rule may be allowed in politics but not in Ethics.

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### ARTICLE VI

## REMUNERATION OF THE LABOURER

242. The problem of the remuneration of the labourer is one of the greatest importance, and we should say that it stands as the most crucial problem of the social question. It involves the most sacred obligations and responsibilities, not only for the employers, but for the State as well. When coming to this point Pope Leo XIII warns us about the importance of the question in the following words: "We now approach a subject of very great importance, one in which if extremes are to be avoided, right ideas are absolutely necessary"<sup>2</sup>.

<sup>1</sup> Letter to Mr. C. Flory, the President of Semaines Sociales of France, 10th July, 1946.

<sup>2</sup> Encycl. *Rerum Novarum*.



The main point to be considered in this question is the remuneration which the labourer is entitled to for his contribution to the production. There are labourers who work for themselves, such as the farmer who cultivates his own field, the merchant who makes use of his own funds, the artisan to whom belongs the equipment and raw materials he makes use of. Masters as they are of all the elements of production, they legitimately keep the entire profit for themselves.

But there are labourers who place themselves at the disposal of an employer for whom and under whose direction they work, agreeing upon a given wage or salary.

What is the nature of this engagement? What should be the remuneration this rented labour deserves?

The question just stated needs to be carefully studied, because it involves one of the main problems of Sociology. For the sake of clarity we shall deal with it under the following headings: Legitimacy of Wage Contract; Correctives of Wage Contract; Classification of Wages; Minimum Wage and Family Wage; Family Allowances; Fair Wage and Social Insurance; Unemployment; and Labour Conditions.

### A. Legitimacy of Wage-contract

243. Production in economics depends on the harmonious adjustment of labour and capital. Not all labourers work with their own capital; they usually put their activity at the disposal of the employer who engages them, and get for their work a remuneration agreed upon which may be called *wages* or *salary*. This system is called *Wage-Contract*<sup>1</sup>.

When the labourer and the employer associate themselves for the purpose of production, and the product thus produced is divided between them according to their proportionate share, the system receives the name of *Co-Partnership*.

244. **Objections against Wage Contract.** Socialists are of opinion that wage-system should disappear, since it is only a more advanced evolution of the slavery after serfdom, and as such, derogatory to human dignity.

Among Catholic social reformers there are some who hold that the wage contract should be tolerated, as a transitory evil, until the

<sup>1</sup> The Roman Law calls it *locatio-conductio*. In the Gospel we find in the mouth of the worker the expression: "Nemo nos conduxit."

Co-Partnership is introduced—which is the most natural system, since both labour and capital are naturally associated for production.

*Reply to objections.* It must be admitted that human labour cannot be equivalent to material things; its price, therefore, cannot be regulated by the law of supply and demand. But man can dispose his labour for an ethical purpose. So, through the wage-contract, the labourer gives his work for an honest and ethical purpose; for to work under the authority of the employer is honest, and to work for a remuneration is ethical. Consequently it can be said that the wage-contract is just, fitting and *legitimate*. The objection that human dignity does not permit the subjection of a man to another in some respect, seems to be futile. A total subjection, without any reserve, would be certainly unworthy of a man. But wage-contract of itself binds the labourer only in honest matters: it grants him the independence to fulfill his moral duties and to exercise his rights. So it is not reasonable to say with the socialists that wage-contract is opposed to human dignity. We are not concerned with the amount of retribution to be given for hire work, but only with the legitimacy of the system of wages in itself.

It should be admitted that the wage-system is not the ideal one. All the same, it cannot be said that the only natural arrangement between labour and capital is co-partnership. True it is that an association or partnership might be formed if the labourer and employer are pleased, but nothing compels them to do this. The labourer is master of his hands, as the employer is master of his goods; each of them can dispose of their own for any honest purpose. Such a condition of workers have made some to conclude that the wage contract, in its very nature, is unjust and must be abolished. The Encyclical *Quadragesimo anno*, however, speaks of the justice of wage-contract thus: "And first of all, those who declare that the wage contract is in its very nature unjust, and that in consequence a contract of partnership must be substituted for it, are certainly in error, and they do a grave injury to our predecessor, whose encyclical not only admits this contract, but devotes much space to regulation according to the norms of justice".

As a matter of fact, the wage-contract we have defined has been practised at all times. It gained ground in proportion as the slavery and servitude disappeared. In the corporations of the Middle Ages all the associates were salaried.



Besides, all Catholic moralists recognize the legitimacy of contract work, where the subjection aspect is much more emphasized than in regular hire work. Even co-partnership system has its disadvantages and advantages, and, as things stand now, the advantages of wage-contract seem to be greater.

**245. Advantages of Co-Partnership.** The partnership protects better the dignity of labourer, since in it the employee and the employer find themselves on an equal footing. The class antagonism is decreased, since the employer and employed are brought together as co-partners. It eliminates also much of the salary disputes. Lastly, it stimulates production on both parts.

**246. Disadvantages of Partnership.** Though the advantages of the partnership system appear to be substantial when it is considered theoretically and in the *abstract*, it does not appear to be so if we consider it in the *concrete* and in action.

By associating themselves—the employer and the worker—in partnership for production, in practice the following disadvantages are to be met with: a) Occasions for conflict are multiplied with regard to management, the establishment of cost accounting, and the division of profits. b) When the business is ruinous, the worker would starve to death. c) The occasions for injustice, which are feared in the wage-contract, are met within co-partnership also. d) The success of the enterprise is compromised by lack of unity, dissensions, as well as by continuous interference.

**247. Advantages of Wage Contract** a) In this system the direction of the enterprise, as well as the definite ownership of the product, is with the management. b) The labourer is assured of immediate remuneration, determined in advance: and this shelters him from risk. c) As the worker and his family depend ordinarily on the daily wages, and as the labourer cannot wait till the dividend of the enterprise is distributed, and as it is not good that he runs the risk of losing his profit, the wage-system helps him much.

## B. Correctives of Wage Contract

**248.** Wages depend commonly on the contract made between the worker and the employer. It ordinarily bears no relation to the returns made to the capital. Often the profits of the enterprise are exorbitant, while the labourer scarcely gets sufficient wage. In order to

obviate this difficulty some form of partnership is desirable between the employer and the employee. The chief means generally suggested as correctives of Wage-Contract are: *Profit sharing and labour share holding*.

249. 1. **The Profit Sharing** It consists in adding to the wages, the principal remuneration of the labourer, *a surplus deducted from the profits when these are above a certain minimum*. The profit sharing is inspired in the conception that two are the elements of production—*capital and labour*. Now the labourer is to be remunerated by normal wages, and the capital by the normal interest of the capital plus a certain percentage intended to cover the risk. Once this respective remuneration is paid after deducting the yearly expenses, the profit will be divided between the labourers and capitalists, thus the defect of the old capitalist system is corrected.

In practice, however, the sharing in the profits meets with the following difficulties: a) It gives rise to dispute on the amount of profit, as to what should be understood by net balance or profit. b) It seems impracticable in the period of organization of the enterprise and during unfavourable years when the enterprises barely earn enough to remunerate. c) It kills the initiative of the capital.

250. 2. **The Labour Share Holding.** This consists in the possession *by the labourers of ordinary shares or special shares, called "labour shares,"* which give to the holder a seat in the shareholders' meetings.

In this system the labourers participate in the management of the enterprise with the same rights as those of shareholder, and in proportion to the number of shares they hold. In this system the personnel are exposed to the *risks* of the enterprise, since their shares may sometimes bring them important dividends, while other occasions may bring loss.

The shares may be transferred to the labourers either as a *bonus* on the profits or simply as a *gratuity*.

Pius XI recommends *partnership* as one of the ways of improving wage-contract: "In the present state of human society, however, we deem it advisable that the wage-contract should, when possible, be modified somewhat by a contract of partnership, as is already being tried in various ways to the no small gain both of the wage earners and one of the employers. In this way wage earners are made sharers in some sort in the ownership, or the management, or the profits"<sup>1</sup>.

<sup>1</sup> Encycl. *Quadragesimo anno*.



*Incentive management*: Now a days much is heard of what is called the incentive management, when the whole organization including the worker share in the prosperity of the company. If the profits are doubled most of the increase should go to the men who doubled them—the workers, the engineers, the customers, the management. The share-holders do not do much to increase profits, hence his share in profits should be small.

Once a proper incentive plan is introduced, management and men are working together for the same end—all matters that affect organization are settled by a board consisting of workers and other staff. Any request for higher wages made by the workers gives the manager an opportunity to explain just what he and other workers must do in order to get an increase.

251. **Observations** *The share holding seems to be preferable to simple profit sharing*, for the following reasons: a) Because it gives the employees a chance to determine their rights; b) because it confines their intervention to that of shareholders; c) because it answers the aspirations of the employees, which are no other than to raise their social function in the enterprise. In this way the question of distribution of profits is given a secondary place, which is more in conformity with the reality. But profit sharing can work equally well provided the workers and the employers are animated with compromising spirit.

The shareholder system seems to be the best corrective of wage-contract, since the main complaints of the labourers are done away with and employers are prevented to get undue importance. We should bear in mind that in modern industries, as in the army, the moral and the *psychological attitude* of the workers count more than anything else.

Profit sharing and share holding have more psychological than material advantage. For in countries which have followed the profit sharing system the profit bonuses amount on an average only somewhere about 5 to 6 per cent of all the workers wages and seldom have exceeded 10 per cent of the total wages.

### C. Wages and their Classification

252. The reasons why the labourer pledges his work at the disposal of the employer is remuneration—*wages or salary*. Thus *wages* are the *payments received by the labourer from the employer in return for his work*. Though the words "wages" and "salary" are used indiscriminately, all the same, salary (from the latin, *salarium*—the money given to Roman soldiers for salt) is called properly when the payment is made monthly or at long intervals, and wages when the payment is made at short intervals.

253. **Different Sorts of Wages.** For a better understanding of the subject we shall classify here the different wages.

1. *Nominal and real wage.* *Nominal wage* is the actual sum agreed upon by the labourer with the employer. *Real wage* is the purchasing power of the actual sum. When the price of commodities rises, the interest of the employer is in nominal wages, while the interest of the workers is essentially real wages.

The relation between the *nominal* and *real* wages depends upon the purchasing power of the money which changes according to circumstances of place and time. A worker getting eight annas in the village may buy more with his sum than the one who gets one rupee wages in the town. The first has less nominal wage, but more real wage.

2. *Maximum and minimum wage.* *Maximum wage* is that more than which the employer cannot give without running some loss. *Maximum wage* is that which cannot be decreased without doing actual injustice to the worker.

3. *Contract and just wage.* *Just wage* is the one that, morally speaking, establishes a relation of equality of value between labour and the rewards of labour. *Contract wage* is the wage actually agreed upon, without taking into consideration the justice or not justice of the wage.

4. A most important division of wages is into *personal* and *family* wages. *Personal* is that which is measured by the individual character of the worker, irrespective of his family relations. *Family wage* is that which suffices to meet the requirements of the workman in relation to his family.

The family wage is variously described. *Absolute family wage* is the family wage independent of the particular circumstances of a family, such as its size. *Relative family wage* is a wage graduated to meet the family needs, specially with regard to the number of children.

#### D. Minimum Wage and Family Wage

254. **Labour and Needs** The old Liberal school held that the standard wage for the worker should be the wage freely agreed upon, whether it be in accordance with justice or not (Contract-wage). In this theory any salary, even if insufficient to support man's bare needs, is presumed to be *just wage*, if freely agreed upon. This theory is altogether discredited, and does not deserve the honour of criticism.



Some sociologists have said that "the salary should be according to the needs." This statement is not altogether a happy one, since it disregards the work of the labourer; however, the theory of needs should be considered valid as a *partial* standard of wages, because human needs constitute the primary ethical title or claim to material good. In the words of Mgr. Ryan, "none of the other recognised titles, such as productivity, effort, sacrifice, purchase, gift, inheritance or first occupancy, is a fundamental reason or justification of either reward or possessions. They all assume the existence of needs as a prerequisite to their validity"<sup>1</sup>. The fact that needs form a partial rule of just *wage* rests mainly in the fact that God created earth for all men. The inherent *right of access* of every man to the goods of the earth is ordinary through useful labour. Except in the case of the infirm, the fruits of the earth are appropriated through exertion and labour: thus the general condition is that man must work in order to live.

From the foregoing principles it follows that every working man has an inborn right to a fair maintenance or to a decent *livelihood*. This includes the following articles: Food, clothing, housing, sufficient protection for morality and religion, sufficient opportunities for recreation and education.

Having in mind the above, minimum wage for the workers can be expressed in the following propositions.

255. I. **Minimum Individual Wage of strict justice.** The worker is entitled *in strict justice* to a *minimum personal wage* for the following reasons:

a) *Value of the services.* The services of a working man have a *certain market value* and, considering the common appreciation of this value, the economic value of the services of a working man should be sufficient enough to keep an adult in a reasonable and frugal comfort. Hence it can be stated that *commutative justice* demands that workers should get at least individual or personal wages. In the words of Leo XIII, "perfect justice demands that the wage corresponds adequately to the labour."

b) *Participation of goods.* Goods are intended by the Creator to provide the whole mankind: hence, when a man makes his contribution to production of goods, he is entitled to get a remuneration sufficient at least for the maintenance of his person.

<sup>1</sup> *Distributive Justice*, pag. 270.

256. 2. **Minimum Family Wage a right of social justice.** *Minimum family wage* is that which is necessary for the support of the labourer and his family. With regard to the minimum family wage there is the danger from the part of the employer to consider the *wage rate*, like the cost rate of non-human material resources for productive purposes. Employers often do not make distinction between *human labour and human factor* of production. But when determining the wages, it must not be ignored the fact that human labour is a peculiar kind of commodity. Unlike other commodities, human labour is connected not only with the personal needs of the man who works, but also with the needs of the family with whom the worker is intimately connected, and further with the *common good* of the country and mankind at large.

Bearing in mind these considerations the *minimum family wage* is warranted:

a) *By moral reasons.* Nothing more natural for man than to establish a family; and usually, working classes families have nothing, but the income derived from the wages of the head of the family. Now, without sufficient wage to assure the subsistence of the working man, his wife and children, the labouring classes would be in the brink of misery and moral suffering, and thereby the larger part of the society would be in a most unhappy condition. The common good, therefore, demands the family wage.

b) *By economic reasons.* There cannot be production without labouring classes. If the adult labourers do not get enough to support their family, they cannot bring up a family; and consequently, the labouring class would disappear with the present generation, and economic system would cease to work. Economically, then, wages must provide for the existence of the labourer and family<sup>1</sup>. Therefore, under the supposed conditions, the labourer has a *right* to the family wage.

One of the best tests for deciding the value of anything and the test most usually followed is the common estimate of men; and the common estimate is altogether in favour of the family wage. Workmen commonly say, and they say it in public: "How could a man support a family on such a wage"? and capitalists cannot openly challenge the principle underlying that question.

<sup>1</sup> This doctrine has become now general among Catholic theologians.



c) *By the teaching of the Church.* The family wage is considered by Pius XI, in his Encyclical *Quadragesimo anno*, a right of the labourer: He writes: "So in the first place an effort must be made to obtain that which our predecessor Leo XIII, of happy memory, has already required, namely, that in the State such economic and social methods should be set up, as will enable every head of family to earn as much as, according to his station in life, is necessary for himself, his wife, and for the rearing of his children; for the labourer is worthy of his hire."

"To deny this, or to make light of what is equitable, is a grave injustice, and is placed among the gravest sins by Holy Writ. Nor is it lawful to fix such a scanty wage as will be insufficient for the upkeep of the family in the circumstances in which it is placed."

Though it is expressed in clear terms in the above passage the obligation of the employers to pay a family wage to the labourer, still it is discussed if such a duty is of strict justice or not. But all agree that family wage is due to the labourer at least as a duty of social justice<sup>1</sup>, which is based in the exigencies of common good. Nevertheless we must understand that such a duty is real, and not only a motive for the worker to solicit charity. In fact, the means of existence of the whole mankind cannot ordinarily be dependent upon the benevolence of others. Besides, the most ordinary condition of the labourer being that of head of family, he must not be at the mercy and the good will of others.

Therefore, we hold that *the work of the labourer confers upon him a claim, based on social justice, for the maintenance of himself and his family.*

257. 3. **If the Economic Conditions Allow** In case the enterprise cannot afford to pay family wage, it cannot be bound to do so:

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<sup>1</sup> Social justice includes what was formerly called *general* or *legal justice*, although some distinction must be made between the two terms. Since social justice has the common good as its object, one might be inclined at first thought to identify it with legal justice. But the term *legal justice* has a more restricted sense, while the term *social justice* is rather becoming wider in its extension. *Salvo meliori iudicio*, we think that the so-called social justice could be easily reduced to the traditional *legal justice*, which in its *strict* sense means the *positive* laws of the State; but, if taken in a more *general* sense, it comprises all the obligations, natural and socio-juridical, prescribed by positive or natural law.

because when there is nothing, nothing is due; and when the enterprise is running at a loss, there is no profit. Naturally, the state of business itself may not be overlooked. On this subject Pius XI draws some pertinent conclusions relative to the payment of a family wage. "The condition of any particular business and of its owner must also come into question in settling the scale of wages; for it is unjust to demand wages so high that an employer cannot pay them without ruin and without consequent distress among the working people themselves . . . " <sup>1</sup>.

Evidently, if the employers are not able in particular circumstances to satisfy the demands of family wage, they are not obliged to do so. In such circumstances the labourer's right to a family wage becomes suspended and hypothetical, as does the claim of a creditor when the debtor becomes insolvent. An employer is not obliged to pay a full living wage to all his employees so long as that action would deprive himself and his family of a decent livelihood <sup>2</sup>.

In such a case it becomes the duty of the state to interfere in order to take up proper measures to secure the minimum family wage.

But, if the business make smaller profits on account of bad management, want of enterprise or out-of-date methods, this is not a just reason for reducing the working man's wages. In such circumstances, as Oswald Nell-Breuning suggests, "let employers and employees join in their plans and efforts to overcome all difficulties and obstacles, and let them be aided in this wholesome endeavour by the wise measures of the public authority" <sup>3</sup>.

In countries, therefore, where the labourer cannot even secure the *minimum wage* sufficient to maintain his life and his family in frugal comfort, if the economic conditions can afford, the State should

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<sup>1</sup> Encycl. *Quadragesimo anno*.

<sup>2</sup> Some charitable institutions, like those occupied in doing Mission work, can be compared to those economic enterprises running at a loss, and, therefore, depending greatly rather on the good will of the workers than on the exigencies of family wages.

<sup>3</sup> *Reorganization of Social Economy*, p. 160.



interfere'. The most advanced laws in this respect are in Australia, where the State introduced provisions for a just family wage from the beginning of this century.

258. 4. **Quantity of wage and the National Income.** It is difficult to determine the quantity of family wage. Mgr. Ryan tries to fix his quantity when he writes: "The cost of maintaining himself and his wife until death and the children until they are of age to be self-supporting, divided by his working time as an adult in full vigour, will give, in terms of money, the family living wage"<sup>2</sup>.

The following is an itemised statement by the Report of the Commissioner of Labour (U.S.A.) of the average cost of living for one year, before the war, for an average size of family of 5 members. The money is in dollars.

Food	360.20	Organization (Labour)	7.60
Rent	93.50	„ (Other)	8.20
Fuel	43.30	Insurance (property)	9.40
Lighting	8.50	„ (life)	27.20
Clothing	137.40	Religion	12.30
Taxes	9.10	Charity	4.80
Tobacco	10.10	Books & Paper	6.40
Amusements	11.30	Liquors	18.90
Furniture	25.70	Sickness & Death	22.31
Other purposes	42.20	Total Dollars	858.41

Actually in America a worker gets much more than 858 Dollars a year specially after the World War II.

If we compare this with an average labourer's wage in India before the World War II, the ratio will be 10 to 1: that is to say, an average American worker gets 10 times more than the average Indian

About 30 per cent of India's rural population possesses neither land nor house, and lives from hand to mouth. Several millions are employed in modern and cottage industries. A dispassionate study reveals the fact that a large part of these labourers earn hardly enough to keep body and soul together, though their needs are most primitive and their standard of living very low. Government has intervened in several Provinces, but its action so far has been too slow, and its legislation too cautious.

But in the bottom there is the difficulty of low production of the country which cannot make possible higher salaries until the rate of production, agricultural as well as industrial, is considerably increased.

<sup>2</sup> *The Living Wage*, pp. 119-120.

family; and this ratio has not been lowered after the war. The pre-war average per capita income in India was about 75 Rupees, while in U.S.A. it was 2,500 Rupees and in England Rs. 1,400/-<sup>1</sup>. Family wage should keep certain proportion with the standard of living, and the standard of living depends upon the national income<sup>2</sup>. A country with low national income cannot pay high family wage. In India, before the War, 8 annas in the villages, and Re. 1-4-0 in the towns might have been considered a fair family wage for most of the districts, while in U.S.A. the average wage was more than 4 dollars.

259. 5. **Family Wage for Standard Family.** Family wage, we said, is that which is sufficient for the support of a family; but it does not mean that wage should be always so high as to enable the labourer to support an unusually large family or according to the number of the children of a particular family (relative family wage). In this connection we could say that wage must be such as to meet the needs of a standard family, which must be more or less the same in different countries. Anything below four would be counted small. So the average family in most countries consists of five individuals<sup>3</sup>.

Consequently, the salary of a labourer should be sufficient to meet the normal demands of a standard family of about five individuals, according to the standard of each country. This would normally demand in India food, cloth, and housing; but in England and other advanced countries, this would mean besides, luxuries, amusements, etc.<sup>4</sup>.

<sup>1</sup> Cfr. *Poverty and Kindred Economic Problems in India*, by G. Findlay Shirres, pp. 44-45.

The average monthly income of a working-class family pre-war was Rs. 50/- in Bombay, Rs. 44/- in Ahmedabad, Rs. 40/- in Sholapur and Rs. 59/- in Rangoon.

<sup>2</sup> Per capita income in 1946 of different countries was as follows in inflated currency: Indian Dominion, Rs. 204/-; Australia, Rs. 1,799/-; Canada, Rs. 2,868/-; United Kingdom, Rs. 2,385/-; United States, Rs. 4,668/-.

<sup>3</sup> The great inconvenience of relative family wage lies in that the employers would preferably take bachelors or people with a small family.

<sup>4</sup> Family wage considered here is for *every honest normal worker* (Encycl. *Rerum Novarum*) who, according to normal economic conditions, is supposed to render labour enough as average man. Very often are employed people who cannot render efficient work, or the kind of work they do is such that they in no way deserve a full wage. Such workers should have the character of mere family servants, or else of part-time workers, and they are not expected to get in justice a full salary, as normal labourers. Such workers should not usually have full responsibility for the support of a family.



The minimum wage, therefore, proposed for all the labourers should be able to support a standard family, although actually the labourer may not have children. For in the words of St. Thomas, "the goodness of human acts is taken not for what accidentally happens, but for what happens according to general rule." The labourers who have very large families should be provided with extra means otherwise than by salary, say from special funds of the enterprise, trade-unions, from the State, etc., as will be explained below.

**260. Remarks** The principle of family minimum wage by no means contradicts that other principle: "Equal labour, equal wage."

In general wages are the reward of labour; and whoever supplies labour, deserves the same wages than others who supply equal labour. However, we say "in general," to reserve the case of the exigencies of social justice.

The entire theory of family wage amounts to the establishment of equilibrium among the four great variables which are: General resources; social demands; the right to establish a family; and quality of work. In other words: *Resources, needs, family, work*.

The resources depend upon a great number of circumstances, which are different in different countries; social needs constantly vary; the right to establish a family also can be restricted to a certain extent or retarded; finally, work can be of diverse qualities.

Summing up: *In so far as the general wealth and social demands allow, conditions should prevail which permit the greatest number of men possible to provide for the support of their families in return for their labour.*

## E. Fair Wage and Family Allowances

**261. Family Allowance.** Family allowance is an aid given to the head of the family, because of the needs of the children. It differs from wages, which are a reward for labour. The family allowance is generally given *in connection with labour*, but not for work done.

As it was said before, in principle, the worker should get a minimum wage, enough to provide for a standard family (family living wage); and special arrangements should be made to provide family allowances to large families. Pope Pius XI has given special praise to the attempts made to help larger families by the *special family allowance*. "In this connection we might utter a word of praise for

various systems devised and attempted in practice, by which an increased wage is paid in view of increased family burdens, and special provision is made for special groups<sup>1</sup>.

262. **Progress made.** Since the Great War I much progress has been made in France, Belgium and other continental countries with schemes for adopting the remuneration of the worker with many children. And now after World War II the social legislation of countries, such as France, England, with declining birth rates, is encouraging earnestly family allowance and making it compulsory in one way or other.

Under family allowance schemes every worker receives from his employer the ordinary standard wage. A married worker with children receives, besides, a supplementary wage or allowance, according to the number of children. This supplementary wage or allowance usually is not paid by the individual employers, but comes from a common fund subscribed to by a group of employers. In this way the burden of extra payment to married workers with children does not fall on the individual employers, but it is distributed among all the employers in the group. Thus an employer has no individual interest in preferring single to married workers<sup>2</sup>.

Generally the equalization is done as follows: An employer subscribes to the fund on the basis of the wage he pays. Thus, if the contribution is to 10 per cent of the wage bill, an employer who pays 10,000 Rupees a week in wages, would pay Rs. 1,000/- to the allowances fund. Now-a-days in Western countries is becoming general the arrangement of family wages being paid by the employer according to size of the family beginning from the wife and then from the first child.

In France alone, before this war, some 3 million workers were covered by the system of family allowances. No further proof of its practicability is wanted. In Belgium some 100,000 families are benefited by the system.

263. **Justification of Family Allowance.** By what right can heads of families claim family allowances? It is simply because of their *needs* and the *services* rendered.

<sup>1</sup> Encycl. *Quadragesimo anno*.

<sup>2</sup> Cfr. Mgr. Ryan, *Distributive Justice*, Chap. XXIV.



In actual circumstances, the heads of families, and particularly the heads of large families, render eminent service to the society in which they live. From the general point of view and considering the nation as a whole, the heads of families render very essential services: They assure its security ( specially in war time ), its existence ( keeping up the population ), and its prosperity in all fields ( by supplying men for all occupations ).

When the scourge of birth control rages, as it rages everywhere, the services rendered by citizens who continue valiantly to bring up large families are more and more valuable.

Heads of large families, therefore, deserve the help they claim; they are the creditors of the nation.

The common good of society, as a whole, demands that the Government contribute to the fund of family allowance given to heads specially of large families.

### F. Saving Wages And Social Insurance.

264. **Saving Wage.** We have so far considered the minimum family wage, which is a minimum to which the labourer has a right. Below this minimum, in normal economic conditions, the wage would be certainly unfair. But fixed at this minimum, the wage is not necessarily fair: for *fair wage* is that which, after meeting the ordinary expenses of the labourer, permits him to put something aside for the emergencies of life. On this subject Pope Pius XI has also his own definite advice to give. He relates wages very definitely with the common good, and shows how conducive it is " that wage earners of all kinds be enabled, by encouraging that portion of their wages which remains after necessary expenses have been met, to attain the possession of a certain modest fortune " <sup>1</sup>.

In the above words the Pope desires for every wage earner, in the name of the general welfare, a fair wage, which may be called *saving wage*.

265. **Social Insurance.** Apart from expenses, constant and common to all labourers, there are other contingencies in life which cause the worker and his family economic stress. Some of them are the following: a) Industrial accidents and diseases, for which industry is doubly responsible; b) non- industrial accidents, such as ill-health, maternity risks and other expenses; and c) old age.

<sup>1</sup> Encycl. *Quadragesimo anno*.

All these risks can be covered by insurance, since a large number of workers are subject to them, and they can be clearly specified and calculated with some degree of certainty.

Insurance to cover emergencies of this nature is usually called *social insurance*. By social insurance a workman is entitled to a certain sum of money, or goods and services in kind, as compensation for loss resulting from contingencies of his work which lead to a diminishing capacity to earn or which involve an increase of expenditure on his part<sup>1</sup>.

It may be noted, however, that many Catholic sociologists assert that means of social insurance should come neither from the employer nor from the State or other agency; but rather, that the worker should receive a *saving wage* as a just reward for his labour, and thus enable himself to be insured in some insurance company against emergencies.

Another way of meeting the expenses of the above contingencies is deducting a small part of the wages of all the workers of the company, and thus establish a fund which may be large enough to cover the forced expenses caused by contingencies of life.

In case the private agencies fail to establish sufficient insurance against emergencies, it is the duty of the State to organize the necessary measures to meet the expenses brought by the above emergencies<sup>2</sup>.

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<sup>1</sup> The Act which was passed by Government of India in April 1948 which ensures the right of labour to Social Insurance, which is to be applied first to India's 3,000,000 industrial workers. The Insurance of the workers will comprise medical care and treatment, a cash sickness benefit (at least half of daily wage), a maternity benefit for women at the rate of 12 annas a day for a period of 12 weeks and disablement and dependant's benefits in the form of pensions for employment, injury or death.

<sup>2</sup> India cannot yet claim to be on a par with some of the advanced countries of the West in respect of economic and social democracy, but more has been accomplished in the recent months than ever before in implementing the Government's Five-year Labour Plan. This programme aims at uniform and co-ordinated labour policy for the entire country to promote social security and industrial peace, ensure fair wages, satisfactory conditions of work and a higher standard of living and provide for education, training and full employment.

Among the measures passed, pride of place must be given to the Employees' State Insurance Act, 48, which ensures the right of labour to social security.

The Act, which was passed in April, 1948, applies in the first instance to India's 2,500,000 industrial workers in perennial factories and will be extended to others when feasible. The benefits to the worker will comprise medical care and treatment, a cash sickness benefit at over half his average daily wage



As a matter of fact, France, Belgium and other European countries have installed workman's compensation schemes<sup>1</sup>.

## G Unemployment

266. Another problem which threatens the habitual security of the worker is *unemployment*. But unemployment, as such, is, by no means, a new problem. It is calculated by economists that between 1860 and 1940 the extent of unemployment among the working population varied from 2 per cent to 10 per cent. Since 1921, after the World War I prosperity came to an end, the extent of unemployment in industrial countries has been always above 9 per cent, except for one year; while during the depression 1929-1933, it was in the neighbourhood of 18 to 22 per cent. In 1932, the percentage was 22 per cent<sup>2</sup>.

267. **Worker's greatest risk.** Unemployment in agricultural areas usually is not so hard, because country parts have generally some resources to fall upon; but such resources are not available in towns and in industrial centres. That is why to be unemployed is the greatest and most dangerous risk to which an industrial worker is exposed. The factory system has resulted in the majority of workers concentrating in towns and not owning even a square inch of land on which to grow some of their own food. They must consequently look to Capital and Government for remedy.

268. **Effects of Unemployment** Unemployment affects not only *individuals*, but also *families* and *nations*. It means, first of all, stoppage of wage payment with consequent lowering of standard of

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for a maximum period of 56 days, a maternity benefit for women at the rate of 12 annas a day for a period of 12 weeks and disablement and dependents' benefits in the form of pensions for employment, injury or death. The right to these benefits will accrue to every worker insured under the scheme. A fund will be created from out of contributions by both the employer and the worker and will be managed by a statutory corporation. No contribution will be levied in the case of employees earning less than Re. 1/- per day. Medical care and treatment will be supervised by a statutory council. The cost of provision of medical care is intended to be borne by the Corporation and the Provincial Governments in the proportion of two to one. The Central Government's contribution will be two-thirds of the entire cost of the administration of the scheme for the first five years.

<sup>1</sup> Cfr. E. J. Ross. *A Survey of Sociology*, Chap. XV, where it is found a good study on this question.

<sup>2</sup> Cfr. Mgr. Parkinson. *A Primer of Social Science*, p. 207.

life. This naturally will be reflected in lowered vitality of the family of the worker, which would result in increase of diseases and hospitals. Besides, the longer the period of unemployment, the greater the worker's loss of skill and efficiency, due to the lack of practice and the physical effects of worry, discouragement and depression.

Industry also is affected, for the unemployed consume less than before, and trade and retailers naturally suffer; moreover, decreased consumption means not only financial loss to the latter, but also further increase of unemployment.

Finally, the whole social life of the nation is affected. General insecurity among the wage earners leads to lack of well being, of peace and of prosperity in the country.

269. **Causes of Unemployment** We can mention here the causes of unemployment which are most known: *First*, trade fluctuation and depressions (trade cycle); *secondly*, the existence of certain classes of workmen to which permanent employment cannot be guaranteed; *thirdly*, alterations in the methods of production and the fashions of consumption, *i.e.*, one method of production knocks out another, and fashions change as regards the use of the things produced; *fourthly*, want of adaptation in the labour market, *i.e.*, through want of good organization a man is often left without work, when work is available at some other centre.

270. **Remedies for Unemployment.** The remedies have not been as yet fully explored. The chief ones at present recognized are: 1) Reducing the magnitude of the trade cycle; 2) the labour exchange; 3) sufficient notice of dismissal; 4) State allowances; and 5) unemployment insurance.

1. *Trade cycle.* Sometimes there is a boom in trade; at other times it is slack. In every industrial country trade is subject to fluctuations. It should be within the competence of Governments and capitalists to control these fluctuations by means of national foresight and effort, and by international agreement. It is a work, of course, which will tax the ability of statesmen and economists to the utmost, but it is not an impossible task.

2. Through the labour *exchange*, labour is made more fluid, *i.e.*, the requirements of the great industrial countries are made known everywhere, and labour everywhere is made available for those centres.



Before the institution of labour exchanges, many men might have been unemployed in one centre, and many required in another. Means of communication were wanting, and many remained unemployed.

3. The State should insist that the employers should give to the dismissed workers sufficient notice—of a month or two—in order that those so dismissed may have enough time to secure another job somewhere else.

4. The State allowances are periodically paid sums by the State to men who are out of employment. Of course, if employment can be given by the Government, the difficulty is at once overcome; if it cannot, workmen should be given pecuniary help.

5. Insurance against unemployment is a form of insurance under which, on payment of a certain weekly or monthly contribution by employers and employees, the latter are guaranteed a certain weekly sum for a period of unemployment.

In some countries insurance against unemployment is compulsory. In other countries, though compulsion is not resorted to the State adds a bounty<sup>1</sup>.

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<sup>1</sup> The problem of *industrial unemployment* of the modern type is not in India of the same order of importance as in the West.

Agriculture is yet the primary industry in India, and its fortunes are dependent on the capricious monsoons. If the rains fail, this spells unemployment for a large number of people who thus come face to face with the spectre of *famine*. (There is, of course, *seasonal unemployment* for a part of the year, even if the rainfall is normal.) The elaboration of effective machinery for coping with famine started after the middle of the last century and is largely made possible by the modern development of transport and communications. Each locality needs no longer depend on the food stuffs raised by itself. It can now draw upon the supplies available in other localities in the event of failure of local supplies. The famine has thus come to mean not absolute failure to obtain food at any cost, but comparative scarcity and high prices.

The problem of *middle class unemployment* had excited much attention and anxieties before the World War II. The causes of middle class unemployment are defective system of education (which is too academic and too much out of touch with real facts and needs) and the under development of the industrial life of the country, which consequently limit the opening available to the educated classes.

## H. Labour Conditions

The chief problems under the heading of conditions of labour are two: The conditions of labour *within the factory*, and the worker's life *outside of the factory*.

**271. Within the Factory.** As to the place of employment the principal requirements are: 1) A man should not be asked to work over long; 2) he should not be made work too intensively; 3) a good moral atmosphere is also necessary; and 4) the position of women and children should be especially considered.

1. The number of hours demanded should depend to a large extent on the quality of the work. "Those," wrote Pope Leo XIII, "who work in the mines and quarries should have shorter hours in proportion as their labour is more severe and trying to health"'. In no case should a man's work exceed the eight-hour day.

Rising early and with a short rest for dinner to work in a factory until late in the evening, represents conditions which are quite inhuman. Life for such men consists of two things—working and sleeping. The workers should have sufficient holidays to relieve the tension of their work.

Besides, the employer must provide places of employment with plenty of light and air, and should see that proper protection is furnished in the case of more dangerous occupations.

2. The intensity of labour depends on the concentration of the attention to one thing to be done in a given time. In Marx's time one man was put to work a number of machines simultaneously, as many as he could control before his brain turned.

There are two ways in which an employer may compel a man in this connection. One is by rocking a man who will not accept the conditions. The other is *revealed labour*, i.e., paying by piece-work, but such a small amount that an employee must work into the night, if he is to make a living. Both of them are equally bad.

3. The moral atmosphere of the factories should be such as to allow a good boy or girl to go through their work without offence to their moral and religious susceptibilities. It is not easy for Government to exercise any influence in this connection within the factory. Government should do all it can to provide a good atmosphere outside. But inside the factory a master has an immense responsibility.

<sup>1</sup> Encycl. *Rerum Novarum*.



It is not easy to prescribe details in matters of morality; but employers should interest themselves, as much in the moral atmosphere to be provided for each individual, as in the conditions of the physical well-being.

4. Women should be protected from degrading or onerous conditions of employment. Any indignity inflicted upon them is sure to be reflected in unhealthy and unfavourable home life for the young, and the consequent decadence of the race<sup>1</sup>.

**272. Outside the Factory.** The chief requirements are: 1) Dwellings; 2) Sound moral environment; 3) Education of children.

1. *The dwellings* of the workers should be such as to bring up their family in comfort and self-respect. This is a duty that devolves upon employers where the number of employees is very large. But a large responsibility also rests on the Government. Insanitary houses should be demolished and good houses provided instead. Facilities should also be given by the Government to make the poorer classes owners of their dwellings. Sufficient attention has not been given to the problem of housing of the very poor, either by Government or the local authorities in the world, much less in India.

2. The second requirement outside the factory is that of a *sound moral environment*. It is the business of the State to do what in it lies to provide such an environment. The chief consideration here is the removal of all incitements to *immorality*. In a well-regulated State public obscenity, and everything approaching it, will be punishable by law.

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<sup>1</sup> *Factory legislation* (based on western models) has already made some progress in India and aims at regulating hours of work, protecting labourers from injury to health or serious discomfort while at work, and giving special attention to the interests of female and child labour. Various official and non-official efforts are being made to improve housing conditions, which at present are terrible, and welfare work of different kinds is being done for ameliorating the condition of factory workers.

An important piece of legislation is the revised Factories Bill, which seeks to secure the right of factory labour to better condition. The Bill will extend the protection given by factory legislation to about 3½ million industrial workers. It will do away with the distinction between seasonal and perennial factories in the application of safety, health and welfare requirements. The effect of this enactment would be to make the work places safer, cleaner and healthier and to provide more comforts and amenities for the worker. It will also ensure that the worker gets holidays with pay. The Bill is likely to become law during the present session of the Parliament.

3. *Education* should be within the reach even of the poorest child, whilst for the brighter children such a prospect should be opened up as will give full opportunity of developing the faculties that God has given them. To keep these faculties dormant is to deprive the country of one of its most valuable assets.

The education of the working man's child is of immense importance for the whole trading community, for it affects the 'supply' of *efficient* labour at each succeeding generation.

The rearing of ill-nurtured or uneducated children at any one period will have the result of lowering the standard of living of workmen for many succeeding generations.

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## ARTICLE VII

## REMUNERATION OF THE ENTREPRENEUR AND THE CAPITALIST

273. We have seen before how natural resources, capital and labour were the essential factors of production. It was explained above that the share the labourer gets from production is called *wages*. The proper share of the capital is *interest*. No one of these agents is generally productive, except when united.

How is the union realized?

274. **The Entrepreneur.** The union of the elements of production is realized by the entrepreneur. In small industries and in the cultivation of the land, very often the owner puts his labour, his capital, and his *genius*, and so he is the labour, capitalist and entrepreneur. But such an organization is not adopted to large enterprises.

In large enterprises, the entrepreneur (business management) gets the necessary capital and means from others, and assumes material and moral control of the enterprise. He is the promotor in the economic sense.

The entrepreneur determines the kind of industry to be set up. On the one hand he obtains the confidence of the capitalists who will supply him either as participants (shareholders) in the risks of the enterprise, or as lenders. On the other hand, he will engage the personnel—foreman, clerks, engineers, etc. He will then *combine, promote, risk* and *supervise*.

When the goods are finished and sold, the *management* keep the whole of the money they get. But they have already paid out a large sum as wages, while the goods were being made; another part must go to pay the interest; another, to pay the *depreciation* of the buildings and machinery. Having struck off all these portions, there ought to remain a certain *profit*.

275. **Gross Profit.** In ordinary language, by the term "Profits" (gross profit) we simply mean, in a loose manner, the excess of the income over money cost. But the money cost should include all the factors which enter as elements of production of the income. One of those factors is undoubtedly the entrepreneur, who, along with the shareholders, assumes the responsibility of running the risk connected with the production and who directs, inspects and manages the work. The wages of the entrepreneur are, therefore, to be counted as expenses

of the production to be deducted from the gross profit. Other items that must be deducted from gross profits are insurances (against fire, burglary, etc.).

276. **Net or Pure Profit.** What remains, after all these deductions are made, can be called *profit* (net or pure profit), if we wish to use the term scientifically and accurately.

The entrepreneur can insure his business against some risks; and in this case, the premia he pays to the insurance companies will figure as part of the cost he has undergone. But there are always other risks which cannot possibly be insured against. For example, the dividend of 10 per cent can be accounted as follows:

	3%	net interest.
	7%	Insurance for risk (profits).
Dividend	10%	

277. **The Legitimacy of Profit.** Profit, as explained above, is the remuneration for the activity and for the risk of the capital and the activity of the entrepreneur.

An entrepreneur and the shareholders must have some inducement for running into the disagreeable risk of an enterprise. By lending their capital to the Government or to a Bank they get interest for it, and be nearly sure not to lose. If, then, they put it into trade and run the risk of loss, they must have a recompense for the risk. The greater the risk *the greater should be* the attraction of the profits.

The remuneration of the capitalist and the entrepreneur in principle may be legitimate for the following reasons: 1. The entrepreneur's function is one of the elements of production (organization), and actually is a function of the greatest importance. A well-conceived plan, an ingenious combination of the elements of the enterprise, a judicious choice of men who will have charge of it or who will collaborate in its activities, judiciously outlined guiding principles are most effective elements of success.

2. It is the return for a risk, the seriousness of which is reckoned by the capital tied up and the duration of the enterprise. An enterprise of iron works or chemicals will have spent several million rupees before it can get any production. How many enterprises have been initiated in many countries, of which the invested capital has been lost.



278. **Immoral Profits.** But not all profits of the entrepreneur are always legitimate in themselves or in the amount they reach. The socialists claim that profit is a deduction from the product of the workman's labour or from public resources, a deduction which the entrepreneur appropriates because of this superior position. False as this theory is when generalised, it may be true in individual cases.

In fact, profit may be gained, because the entrepreneur does not pay a fair price for his raw materials and installations; or because he does not fittingly remunerate the labour of his workmen, his engineers, etc.; or because he uses dishonest methods. Profit made by illegitimate means cannot be *legitimate*.

279. **Excessive Profits.** As to the rate of profit, it should be estimated by taking into consideration all the elements involved in production. The following considerations seem to us particularly pertinent to this matter:

1. The role of the entrepreneur, being of primary importance, deserves a large remuneration, proportional to the specific difficulties, to the size, and to the risk of the enterprise. This principle is particularly applied when it is question of new types of enterprise or enterprises to be established in new conditions, for example, of synthetic rubber or pioneer schemes with untrained personnel.

2. There must be no grudging over the profit which result from progress in processes or methods. Thus, there is nothing excessive in the amount that Marconi has earned by the development of wireless, as also in the profits realized by Ford because of the improvements made by him in the construction of the automobile.

3. As for great profits realized from the needs of the public in case of shortage, or because of abuse or monopoly, or because of unhealthy speculation, they are greatly to be criticised, and they should be a burden to the conscience of those who realize them.

280. **Profit and Wages.** Now it remains to be explained what part wages and profits play in modern enterprises.

Enterprises differ greatly among themselves. Some employ enormous capital and relatively little manual work, for example, the chemical industries, paper mills, large metal works and the aluminium industries. Others, on the contrary, employ much labour and relatively little capital, for example, the building industry. Statistics,

more than anything else, indicate that company's profits fluctuate from year to year, between industries and industries, and between individual enterprises within the same industry. Some industries are very dangerous, others are not.

If then we wish to compare the share of profit which goes to the capital and that which goes to labour, evidently we must take into account the relative importance of the contributions by capital and labour, and the amount of risk for the capital. Now it is difficult to calculate the value produced by labour and capital in the same enterprise or in the same country from statistics available. According to Marshall, society on the whole gets the services of entrepreneurs very cheap, because, although some of them (e.g. Henry Ford) seem to make heavy profits, others sustain heavy losses; and on an average, profits are very modest<sup>1</sup>.

It is true that some socialists would go to the length of proposing the complete abolition of private enterprise to eradicate private profits. Of course, a certain equalisation of profits and wages we do advocate; but if the wages do not keep a reasonable proportion with the profits, it will be equivalent to the suffocation of all private enterprise with all consequences thereof.

The socialistic contention that the labourer has a right to the entire product of industry—and, therefore, that the capitalist and the entrepreneur have no right to interest or profit—is invalid and impracticable in a reasonable scheme of distribution.

From a general economic stand-point, we can conclude that, if the abuses are avoided, there is nothing more necessary for the prosperity of a country than capable, honest and industrious entrepreneurs.

### Note on Indian Industries

281. Indian industries fall into two classes: *Cottage Industries* and *Organized Industries*. Although industrialization has been advancing in India, especially in the last decade, organized industries as yet play only a secondary role in the country's economic life. Cotton, jute, iron and steel are among the few large-scale organized industries.

<sup>1</sup> Cfr. Alfred Marshall, *Principles of Economics*, Book IV, Chap. XII (Macmillan & Co., Ltd. 1930).



Progress in modern industries need not necessarily be fatal to all our *old cottage industries*. With proper assistance and guidance there is no reason why quite a number of those should not continue to exist and flourish. Still the future prosperity of India will depend greatly upon the industrialization of the country.

Some time ago some leading industrialists put forward a bold and far-reaching "Fifteen-Year Plan" called *The Bombay Plan*, for the economic development of India to be implemented by a National Government. The target aimed at is the doubling of per capita income. They expect an increase of income in industry alone, after those fifteen years, not less than 500 per cent, and the amount to be spent for the purpose is not less than 4,480 crores of rupees. If the country accepts this or similar plan, and tries to put it through, Indian industrialization would cease to be a mere possibility, but become a fact of momentous significance to India and other countries as well<sup>1</sup>.

The Central Government in India has recently issued an important statement on its industrial policy, very much in line with the Bombay Plan. The Government of India rejects the doctrine of *laissez faire* in favour of planned economy, which is to be realized through the centralization of big industries. The Central Government considers that the following industries should be taken over under the central control: iron and steel; manufacture of automobiles, tractors and tractor vehicles; air-craft; ship-building and electrical machinery; textile and chemicals; cement and electric power; and radio-engineering. Although a high priority is to be given to the development of the above basic industries, they must form a part of a balance plan in which due place is given to the consumers' goods industries.

Besides, apart from railways and other public utilities which are already very largely State-owned, basic industries may be nationalised, provided their promotion is considered essential in the interests of the country. All other industries will be left to private enterprise under varying degrees of control<sup>2</sup>.

The National Government now in power seems to have adopted the same or similar plans; but realization of such vast plans need money, and years of peace which at present is seriously endangered by the communal strife between Hindus and Mohamedans.

<sup>1</sup> A plan of Economic Development for India, 1944.

<sup>2</sup> Cfr. *International Labour Review*, July 1945, pp. 50-51.

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ARTICLE VIII

AGRICULTURE

282. Agriculture not only is the oldest, the most natural, the healthiest and the freest from moral and physical dangers of settled occupations, but also fundamentally the most important for society. For, the land supplies man with the greatest part of those riches which are indispensable to him: Cereals for food, raw materials for industry, and animals for food and clothing; it is the base upon which he builds his habitations.

Taking into account the number of persons engaged in agriculture, it is this the industry in which, in every country, excepting a few highly industrialized ones, more people are employed. If we treat more spaciouly in this book about problems more directly connected with industry, it is not because rural problems deserve less attention, but only because the industrial problems in modern world are more acute and complicated.

A. The Value of Land and Rent

283. **The Value of Land.** The value of the different kinds of land is very unequal. In this respect we can compare the mountains, poor soils, fertile lands, lands near towns, lands containing minerals of different kinds, precious metals, diamonds, gold, etc. Difference in valuation ranges from one rupee per acre for arid lands to thousands of rupees for rich land and attractive soils in urban areas.



*The causes of unequal value of different lands.* For agricultural lands the causes are: a) The fertility or natural wealth of the soil, and the minerals it contains; b) the improvements produced by labour and capital invested; c) the location of lands, that is, the proximity to a city or important centre, and its accessibility with regard to transportation. For urban lands, the main cause is a more or less favourable location.

The unequal value of the same land at different times can be explained by the *variation of the above-mentioned cause*. A soil may be exhausted or, on the contrary, may improve in course of time.

284. **The Theory of Rent.** From what has been mentioned above we come to the conclusion that the diversity and the variations in value of different lands depend in a great part upon causes foreign to capital and labour. Such causes, independent from capital and labour, are: a) The natural qualities of the land; b) its location; and c) the scarcity of land because of the increase of population.

From the different qualities ( independent from capital and labour ) of different lands arises the idea of *rent*. All pieces of land are not equally good, that is, all have not got the same advantages and do not produce the same quantity for the same amount of *labour* and *capital*. Hence we could define *rent*: *The advantage of certain lands in relation to less favoured ones*. Since this advantage is unconnected with capital and labour invested in the land, we could formulate another definition: *Rent is all income derived from natural gifts and circumstances of the land, irrespective of capital and labour*. That land would pay no rent at all which produces only enough to pay wages of the labourers who work upon it and the interest of the capital which is used for cultivation. The rent of better land will then consist of the surplus of its produce over that of the poorest cultivated land, after allowance has been made for the greater or less amount of labour and capital expended on it.

Usually the idea of rent is particularly applied to land, because land is a natural element limited in quantity and most indispensable to the most imperious needs of the population<sup>1</sup>.

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<sup>1</sup> Among controversial questions relating to land revenue in India one is whether the *land belongs to the State* or is the *private property* of the zamindar or ryot. The case for the latter view is strong, and the Government would do a good service if it would recognize private property of those lands. The second controversial question is whether land revenue is *tax* or *rent*. As the

285. **Objection** Some object that land owners enjoy a privilege, the advantages of which increase in proportion to the scarcity of the land—a privilege which does not correspond to the work done and the utility brought by them to the community.

*Reply.* In fact, we must admit that the rent is a privilege which depends on the natural qualities of the land, on its location and on the needs of the consumers; but as to its benefits, at least indirectly, the whole community is benefited. Regarding the increase of the value of the land, we must say that it is merely a fatal and casual phenomenon, in the same way as the increase of the interest and the price of the industrial articles; in which cases the capitalists and manufacturers become benefited, with no labour from their part.

## B. Agrarian Problem

The agrarian problem may be reduced to the following terms:  
1) How to obtain an abundance of agricultural production; 2) How to obtain an equitable distribution of the rent and product of the land.

286. 1. **Abundance of Production.** History teaches us how the development of agriculture took place in the world. Up to the eighteenth century the methods used in agriculture were primitive and consequently its yield scanty. The Dutch were the first to learn to cultivate the land according to scientific principles; and from them the English farmers borrowed many secrets of tillage. More assiduous manuring, the shifting or rotation of crops from field to field so that the soil would not have to be left uncultivated every third year, helped the progress agriculture achieved during the eighteenth and nineteenth centuries.

The improvements in agriculture since 1800 have extended slowly to every progressive country. Machinery now does the work of the ancient scythe, sickle and other implements. Machine not only reaps the grain, but threshes it, winnows it, and delivers it into sacks at a

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*Taxation Inquiry Committee* points out, it should be regarded as a tax. In this connection, a third question has been raised, namely, how far the land revenue taken in India conforms to the theory of economic rent. It will be found on examination that land revenue in India cannot be identified with economic rent; for, large number of holdings are uneconomic and do not yield practically any rent. Hence the land tax becomes the appropriation of the bare minimum of subsistence left to cultivators. Cfr. Jathar and Bery, *Indian Economics*, Vol. I, Chap. II.



single operation. The use of cheap artificial fertilizers makes profitable the cultivation of poor lands formerly allowed to lie idle. Finally, by using all the new methods the land brings forth in abundance<sup>1</sup>.

For large countries with little population, like Australia, often extensive cultivation suits well; but for countries highly populated, like India, intensive cultivation with scientific method becomes unavoidable.

287. 2. **Equitable Distribution.** This depends upon the organization of the land. Faults committed with respect to organization of the land must be paid for very heavily; they bring with them misery and social disturbances. On the contrary, a prudent organization of land receives, in this field, a large recompense; for, it increases the public wealth and secures a population large, healthy, laborious, peaceful and contented.

Land in different countries and at different times has been held in different ways; and, therefore, the distribution of the rent and income of the land is widely different in different systems of tenure of land. From the slavery system to peasant proprietorship, there are many different degrees<sup>2</sup>. We shall mention here the main systems.

a) *Slavery system.* It is that in which the owner owns everything, including human labour. So a slave owner treats his slaves as part of his capital. But there is hardly any need to consider whether slavery is a good or bad economic system, because it is altogether condemned from a moral point of view.

b) *Ryot tenure.* It is when the land is owned by the Government who can fix the rent at what it likes, and so it is difficult to distinguish between rent and tax. After slavery this is the worst of all systems. It exists at the present day in many eastern countries. We see it in a somewhat altered form in British India, as in Zamindary and Ryotwari systems. When the crops of the ryot peasants fail, they are unable to pay the tax gatherers, and they get into debt and become quite helpless.

c) *Tenancy system.* It is when the land is given in rent to the cultivator. It may be beneficial to both; but this depends upon the nature of agreement made between the owner and cultivator. The more generous terms for the tenants, so much the better for the tenant and

<sup>1</sup> Cfr. Hutton Webster, *Medieval and Modern History*, pp. 660-661.

<sup>2</sup> Cfr. Stanley Jevons, *Political Economy*, Chap. X.

society at large. The agreement can be improved by fixing the minimum number of years of the lease and also fixing the tenant's rights to claim the value of the improvements made.

d) *Peasant proprietorship*. This system is the opposite of slavery: The labourer himself is the owner of the land, who labours it with his own arms, and finds the capital also. The advantages of this system are evident. The labourer, being the owner of the farm, is an independent man, who has every inducement to work hard and to increase his savings. Every little improvement which he can make in his farm is so much added to his wealth, and that of his family after him. There is what is called the *magic of property*. The feeling that he is working entirely for his own and his family's benefit *almost magically increases his inclination to work*.

Where the land is available in plenty, this seems to be the best system of organization of the land. But where the land is scarce, the objection to peasant proprietorship is that, on account of the limitations of individual peasants to obtain the means of improved system of agriculture, they do not usually grow rich, though they be contented and happy getting their living out of their own soil.

*Advantages of peasant proprietorship*. This system has at least two good effects: a) It distributes the rent among a great number of beneficiaries, not only because there are more owners, but also because transactions are much more numerous. b) It cuts short abuses which are often to be deplored in countries where estates are immense; for it happens that proprietors of such estates often neglect their development and sacrifice area to pure luxury enormous parks, sporting grounds, etc.

In countries like Holland and Denmark, where small holdings of land flourish, people are more contented, and they constitute the safest guarantee against extreme social systems. Consequently, in such countries the evils of capitalism and communism are felt little. If under an economic point of view small farms are a blessing in many respects for society, they are much more so if considered under social aspect, which sociologists must never lose sight of.

288. **Agrarian Socialism.** Let us make mention here of this extreme theory advocating on the nationalization of the land. The followers of the agrarian socialism assert that God made the world—that is, the land—for the enjoyment of all mankind, since man is dependent upon it



for his nourishment. They attribute all present-day evils to the fact that land ownership is now concentrated in the hands of a few, instead of being for the benefit of all. Land owners, they say, have stolen it from the common use of all, thus depriving others of its products.

The more violent agrarian socialism wants to transfer immediately to the State, without compensation, the ownership of the land. Some others want the land to be transferred by degrees to the State through the enforcement of a tax on land, which would effectively deprive the owner of all rent or equivalent income from the land. This is the attitude of the American defenders of "Single Taxes". The State would take all profit from the land for the benefit of all, and eventually, of course, land would be "taxed out of existence," as it is commonly said.

As Marx, with the majority of socialists, attributes the poverty of the masses to capitalistic ownership of the means of production, the agrarian or *land* socialists attribute it to the private ownership of land, though they want to leave the production and distribution, of other goods as at present<sup>1</sup>. The main leaders of this social theory are Henry George (1839-1897) and Alfred Russel Wallace (1823-1913).

289. **Agrarian Socialism is inadmissible.** This theory is certainly right in its idea that a wider distribution of land would be desirable. It is wrong, however, on the following points: 1. If the State does not indemnify the actual owner, it commits an act of spoliation or robbery. Even if the State wants to compensate the actual owner, where will it find the necessary funds? 2. The holders of this theory overestimate the benefits of private land ownership in the present economic system; for all men derive their nourishment from the land, even though they personally may not own an inch of land. Even the richest, very often, are not land owners. 3. The injustice of this theory is the more obvious when we consider that the factory owners or large house owners, who have merely leased the property, would pay no taxes whatsoever. The taxes would be paid exclusively by the land owner, including the small farmer possessing but a few acres.

Even supposing that the acquisition of all the land has been made by the State, the objections that we have made against socialism will hold good as favouring the right of private property.

<sup>1</sup> Henry George, *The Condition of Labour*, pp. 77-81.

### Note on Indian Agriculture

290. **Agricultural Production.** Agriculture holds a dominant position in the economic life of India, nearly 70% of the population being dependent on the land for their livelihood. It is, however, in a depressed condition, and needs much improvement in order to promote rural prosperity.

Though the agricultural production in India covers a wide range of crops, the *yield of the land* per acre is very low in comparison with other countries<sup>1</sup>. It is, however, capable of being increased by the adoption of intensive methods of cultivation making use of the technical knowledge and selection of seeds and fertilizers. The Indian agriculturist for the most part follows *extensive* methods of cultivation. But his salvation lies in adopting *intensive* methods, as in China and Japan. For this purpose irrigation, rotation of crops, increased application of manure, supply of proper seed, improved implements and cattle are essential. The present position in all these respects is far from being satisfactory.

*Irrigation* is also an imperative need of Indian agriculture, especially rainless deserts like Sind, and precarious tracts like the Deccan, and has in various forms been practised from time immemorial.

Irrigation activity has greatly increased in the various Provinces since the subject of irrigation was transferred to the Provinces. Big schemes, like the Sukkur Barrage, the Sutlej Valley Project, and the Cauvery Reservoir and Mettur Project have been carried out.

*One Obstacle.* One of the various handicaps of the Indian agriculturist is the endless sub-division and fragmentation of holdings, many of which are uneconomic. Their cultivation entails great cost. They hinder agricultural reforms and give rise to boundary disputes. This evil, though to a great extent due to the Hindu and Mohamedan laws of inheritance and succession, is caused also by the increasing pressure on land due to the growth of population and lack of alternative occupation. Attempts are being made to deal with this problem on a voluntary basis, as also by the method of legal compulsion. A

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<sup>1</sup> While Germany produces 22.6 quintals of wheat per hectare and the United Kingdom 20.6, India produces only 7 while Italy and Spain produce 51.2 quintals of rice per hectare, U.S.S.R. 16.6, U.S.A. 24.5, China 25.1, India produces only 13.9. Her production of cotton is about a third per unit of the U.S.A. (Cfr. Oxford Pamphlets on Indian Affairs, No. 3, p. 6).



certain amount of success has attended the interesting experiment in the Punjab of consolidation of scattered holdings on a co-operative basis. Legal compulsion does not appear to be a suitable method in the peculiar conditions of India.

291. *State's aid to agriculture.* The Indian agriculture needs more *knowledge* to be put into the land, and more *financial help* to provide the farmers with sufficient means of production.

As to *imparting knowledge*, departments of Agriculture were started in 1884 in the various Provinces under Directors of Agriculture assisted by Deputy-Directors and Inspectors. Agricultural Colleges were also started at Poona, Cawnpore, Coimbatore, etc. The biggest step forward was recently taken by the Imperial Council of Agricultural Research in the use of a crore of rupees for promoting useful research in agriculture and for the solution of the veterinary problems. Still, bearing in mind the ignorance of the farmers in matters concerning agriculture, much more is to be done in order to increase their sufficiency.

*Regarding financial help*, it is the Government who must organise and encourage credit banks and co-operatives<sup>1</sup>, in order to make the poor ryots self-supporting and independent financially. Co-operative Societies can be used also to do the buying of necessary requirements for cultivation, as well as the selling of the products in common in the market, etc.

At present, as part of post-war planning, there are many new schemes to intensify the agricultural production of India in the near future. The planners of Bombay Plan have proposed to increase in a spread of 15 years the output of the agricultural production by 130 per cent. If such plans are carried through and the target is obtained, verily it will be immense blessing to the poor people of India.

292. *Subsidiary Industries.* In the absence of subsidiary industries to fill up his spare time during the slack agricultural season and to supplement his small income from land, the cultivator's economic position is very weak. The provision of supplementary industries suitable to the various rural areas—such as dairy-keeping, poultry-farming, fruit-growing, sericulture, rope-making—is urgently needed. Hand-spinning is useful, but not sufficiently remunerative.

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<sup>1</sup> See below Part II, Chap. III, Art. IV, where we deal with Co-operatives separately.

293. **The Organization of the land.** As regards the problem of the organization of the land, in British India, alike in most eastern countries, the land is generally considered as the ownership of the Government, so much so that, if the Government would be in earnest to introduce the socialization of the land, it would not find in its way any major legal obstacle.

The system of land tenure which prevails in India to-day can be roughly classified under three categories, viz: 1. The *Ryotwari system*, under which land is held directly under the Government by individual cultivators<sup>1</sup>, who are responsible for the payment of land revenue. 2. The *Mohalwari* or joint village system, under which village-estates are held by co-sharing bodies, the members of which are treated as jointly and severally liable for the land revenue. And 3. the *Zamindari* system, under which one person or a few joint owners hold the land and are responsible for the payment of land revenue on the whole estate. The last two categories are essentially similar in character, the only difference being that in Mohalwari system the revenue is fixed permanently, and in the Zamindari it is amenable to periodic revisions. The area under the Ryotwari, Zamindari and Mohalwari systems in British India is shown below:

	Thousand acres.	Per cent.
Ryotwari ... ..	183.034	36
Zamindari and Mohalwari ...	326.998	64

Farming in India is predominantly tenancy forming. Most of the cultivators are tenant farmers who acquire land or lease from the Zamindars or bigger Ryots on payment of rent. In this connection it is necessary to realize that all the land under the Zamindari system is not, as is sometimes contended, let out for cultivation to tenant farmers, nor is all the land held under Ryotwari system cultivated by peasant proprietors. In the United Provinces, for instance, which is a Zamin-

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<sup>1</sup> Besides tenants there are in India many millions of low caste people, who are not only propertyless, but not even in the condition of tenants. They are mere workers living on their wages, and they constitute a real agricultural proletariat. Their condition is that of a mere cooly with all the distressing consequences. Well, this agricultural proletariat cannot but constitute a national danger. It is necessary the public recognition of the deplorable condition of these slaves of the land, and the Central as well as the Provincial Governments should try to bring about better conditions for these unfortunate beings before it becomes too late.



dari province, as much as one-fifth of a total cultivated area of 35 million acres is cultivated by landowners themselves<sup>1</sup>.

We find the land in India divided, on the average, in small holdings. Therefore, in this respect there is no need of much agrarian reform. Still what is needed is that the present situation should be consolidated, so that the ryots and tenants possessing the land, may become unquestionable owners instead of the Government or the Zamindars<sup>2</sup>.

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<sup>1</sup> *A Plan of Economic Development for India*, Part II, pag. 14-15.

<sup>2</sup> Cfr. *The New Review*, September, 1948.

## EXCHANGE

294. In a strictly communistic system, in which the State owns everything, there is no chance for exchange. There would be transportation of goods from one place to another, but not exchange of things from one owner to another. Exchange supposes private property, so that private persons may exchange their things, title-deeds on fields, houses or any other transferable thing.

Exchange is one of the ways in which we can increase wealth or value of things, and it consists in giving what we do not want in return for what we do want. When our want of any kind of commodity is satisfied, we want no more of that; but we want other kinds of commodities. The result is *exchange*, which produces an increase of utility.

In several places in this book we have been interested in questions connected with exchange, as when dealing with production which implies exchange between the worker and employer, since one gives his labour and the other gives wages. But still the idea of exchange has not been analysed *ex-professo*. Therefore, in this chapter we are going to discuss some topics connected with the economic mechanism by which exchange of goods of private property is carried on: Money, credit, speculation, commerce, banking, etc. In all these subjects we must specially emphasize the moral and social point of view.

### ARTICLE I

## GENERAL IDEA OF EXCHANGE

295. **Idea of Exchange.** Exchange consists in giving one thing for another. Exchange, like an act of mercy, blesses both, for what each receives in exchange is much wanted by and useful to each. In India, for instance, we possess a great deal of cotton and jute, and England produces plenty of manufactured articles. It is obvious that there is great gain of utility if India gives some of the comparatively superfluous cotton in exchange for some of the abundant manufactured articles of England. One of the main reasons of the mutual relation among the individuals, as well as among the nations, has always been the *exchange*. Whenever men live social life, exchange arises as a natural phenomenon.



Exchange may have to do with goods or with payments *in kind*. Hence the classic division of commutative contracts in three great categories according as they deal with two things, two payments, or one thing and one payment: *do ut des; facio ut facias; do ut facias*.

296. **Advantages.** The advantages of exchange are: 1. A better *utilization of goods*. By putting the goods into the hands of those who need them, exchange increases their utility and their value. Without exchange, there would be superabundance here and penury there. Such was the cause of many of the famines of India when monsoon failed in some of the districts.

2. *A better utilisation of individuals*. Each one having the power of exchanging his products employs himself according to his aptitudes and places his goods to the best advantage. As a result industries and trades are specialized, and there is division of labour and production increases.

3. *Advantages procured for each of the exchangers*. In every normal exchange (which excludes fraud, violence, error, etc.) each of the two parties secures something more suitable for him than that which he gives—as when one exchanges money for things, or vice versa.

297. **Transportation Agencies.** Communications and transportation have the greatest influence upon exchange. They facilitate the carrying of things, persons, intellectual correspondence (letters, telegrams, etc.).

The *direct* influence is immense. They enable each thing to be brought to the place where it is most desired, and each person to the place where he will exercise his abilities and most effectively provide for his needs. This influence is made clear by the number, the diversity and the low price of products in the different markets, if compared to the conditions in which as they might be if transportation did not exist.

But their *indirect* influence is still more remarkable. They transform the conditions of production by making possible the utilization of raw materials formerly out of reach, by transporting the personnel to a particular locality, by enlarging the market and thereby enabling production to be carried on with all progress at a large scale

## ARTICLE II

## FINANCIAL CREDIT

298. **Notion of Credit.** The word "credit" is derived from the Latin verb *credere*, which means to believe, to trust, or to have confidence. Any one who lends a thing *gives credit*; and he who borrows it, *receives credit*. The one who gives credit is called *creditor*; and the one who receives credit, *debtor*.

The word *credit* may be used in various senses, the most important of which are:

1. *Reputation* for solvency. Hence in the figurative sense, credit means consideration, authority. In this sense we say: *to have credit*.
2. *Confidence*, which causes one to consent to deferred payment: to trust, to sell on credit.
3. *Advances*, as sums loaned. So it is said: *to find credit, credit is scarce, credit becomes tight*.
4. *Part of an account* upon which are written, under someone's name, the sums received from him. Thus we say to carry to the credit side, to credit an account.

299. **Definition and Division.** Credit may be defined as *the confidence which tends to make agree to loans or deferred payments*.

Confidence may be based either on an already existing wealth possessed by the debtors—house, land, furniture etc.—which is called *real credit*; or on the personal qualities of the person—moral, intellectual, professional, etc.—considered in the capacity to reimburse the creditor, which is called *personal credit*.

Credit may be partly real, partly personal. The cashing of a bill of exchange or a cheque is based both upon the reputation of the tradesman and upon these goods.

300. **Utility of Credit.** It is said that credit is cause of production. In reality credit creates nothing. It does not multiply the capital; but when properly employed, it enables property to be put into the hands of those who will make the best use of it. Many people have property, but are unable to go into business, as is the case with women, children, old men, invalids, etc. Rich people perhaps have so



much property that they do not care to trouble themselves with business, if they can get others to take the trouble for them. Even those who are engaged in business, often have sums of money which they are willing to lend for a short time.

On the other hand, there are many clever active men, who could do a great deal of work in establishing manufacturies, sinking mines, or trading goods, if they only had enough money to enable them to buy the requisite materials, tools, buildings, land, etc.

**301. The Advantages of Credit** 1) *From the viewpoint of production*, it allows a better utilization of goods, which, without it, would remain more or less sterile; and a better employment of people, who, without it, would remain more or less without employment.

Example: A loan of money to a contractor or to a merchant who will benefit by it; renting a farm or advancing funds to a farmer who also will gain by it.

2) This fruitfulness of credit, as an *indirect* result, encourages capitalization, and thus causes a growth of capital.

3) *From the viewpoint of exchange*, credit offers great facilities a) by the delays which it allows in the making of payments, and b) by the improvements it permits in the means of exchange.

**302. Credit for Production and Consumption.** *Lendings for production* are useful operations which enable the debtor to increase his wealth and pay his debts. It is different with *loans for consumption*: Here, in fact, wealth disappears without giving an equivalent economic return. Doubtless, a credit to consumption is justified in certain cases, for example: to allow someone to be tided over a difficult period which will be normally followed by a fruitful period. Generally it is bad policy.

Credit to consumption or deferments of payments are frequent, particularly in the retail trade. This custom is ruinous both to the *retailers* and the *buyers*. To the retailers, because often they have to wait months, and sometimes years, for payments from their customers; to the buyers, because some of them end up by getting badly in debt, and all of them suffer because of higher prices that retailers must charge to cover losses incurred because of delayed payments or absolute non-payment.

## ARTICLE III

## BANKING

303. **Banking.** A large part of the credit given in a civilized country is allowed by bankers, who may be said to *deal in credit*, or which comes to the same, *in debt*. A bank usually carries on the three or four different kinds of work; but its proper work is that of *borrowing* from persons who have ready money to lend, and lending it to those who want to buy goods.

304. **How Banks borrow Money.** Generally banks borrow from merchants and from the public who actually do not want to use their money (idle money). Thus a shop-keeper deposits his money with the banks when, after selling his goods, he is not in immediate need of it. Those, again, who receive salaries, dividends, rents and other payments, do not usually want to spend the whole at once; and instead of keeping such money in the house, where it pays no interest and is liable to be stolen, lost, or burnt, they prefer to deposit it with a bank.

The chief advantages of thus depositing money with the bank are: a) The money is safe, as the bank provides strong rooms, locked and guarded at night. b) It is easy to pay the money away by means of cheques or written orders entitling the persons named therein to demand a specified sum of money from the bank. c) The bank usually allows some interest for the money in its care.

Banks receive deposits on various terms: 1. Current Account; 2. Fixed Deposit; 3. Savings Account.

1. *Current Account.* It is called so when a customer puts his money into the bank, and draws it out just when he likes, without notice. In this case the bank gives very little interest, or none at all, because it has to keep much of the money ready for its customers, not knowing when it will be wanted.

Nevertheless, while some depositors are drawing their money out, others will be putting more in, and it is exceedingly unlikely that all the thousands of customers of a large bank will want their deposits at the same time. Thus it happens that the bank, in addition to its own capital, has a large stock of money always on hand, and it makes profit by lending out this money to other customers, who need credit.

2. *Fixed Deposit Account.* It is one where sums of money are deposited for a fixed period, either of three, six or twelve months or more.



The amount to the credit of this account cannot be withdrawn by the customer before the expiry of the period agreed upon. If it is to be available at the customer's notice or demand, no interest will be generally paid for the amount. The rate of interest allowed varies with different banks, according to the period of deposit and the financial stability and requirements of the bank.

3. *Savings Account.* It is the deposit of funds payable in short notice or withdrawable by cheque. It is a combination of current account and fixed deposit, for it has the conveniences of both. This variety of deposits suits the middle and the lower middle classes, and promotes the habit of thrift.

*Cheques.* One of the conveniences of modern banking is the facility afforded in the settlement of accounts and transfer of debts by means of cheques. A cheque is an unconditional *order* in writing, addressed to a bank, signed by a person who has money of his own deposited with the bank, requiring the bank to pay a specified amount. The order may be to pay to the bearer, or his order, or to the drawer himself.

A cheque is liable to be stolen; the mode adopted to minimise the risk through loss or forgery is by crossing the cheque. A crossed cheque is one on which two parallel transverse lines are drawn across the face with or without "and company." The effect of crossing a cheque is that it is payable only through another bank. The party to whom it is payable must, therefore, employ another bank to collect the amount for him, with whom the bank has an account. The crossing of a cheque is thus a safeguard because the collecting bank can easily ascertain the party in case the cheque has been stolen or fraudulently cashed.

A cheque drawn by one bank upon another is known as *bank's draft* or *demand draft*.

305. **How Banks give Credit.** There are various ways in which a bank gives credit. Sometimes it lends upon the mortgage of goods, houses and other property. This, however, is not a proper way for a banker to employ much of his funds, because he may not be able to get back such loans rapidly when he needs them. One of the safest ways of lending money for banks is by allowing advances on gold and Government loans (*guilt securities*). Banks advance also loans to good customers by allowing them to overdraw the account. But naturally bankers take care not to allow overdrafts unless they have great confidence in the customers.

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## ARTICLE IV

## CO-OPERATIVE SOCIETIES

306. In this article we shall discuss of those *institutions* akin to banks, based on mutual co-operation. We shall deal about them at some length, on account of the great importance they have for countries, such as India, in a state of economic awakening.

The word *co-operation* means working together along with others for some definite purpose. Co-operation movement in the minds of the leaders of this movement stands for a creed and a tendency towards a common co-operation of all social and economic elements. Co-operation in this general sense would mean the abandonment of competition and the renewal of society on the principle of mutual help, as the motto puts: "Each for all and all for each."

If we take co-operation as a method of economic and social action, we may define it in these terms: *It is a voluntary union of persons for the pursuit of economic and social good for their common advantage, on a basis of equality and equity.*

a) It is *voluntary*, and therefore, not set up by the State, but freely adopted by individuals.

b) for the pursuit of *economic and social good*. Economic good is done in three ways: By production; by distribution in the wholesale or retail houses; and by financial operation, as credit. Social good means something connected with the social aspect of man, such as education, recreation, etc.



c) for their *common advantage*. This may be mutual gain, help, social work, and various friendly society benefits different from a mere club.

The term *co-operation* in sociologic phraseology, usually refers to three specific kinds of societies: *Producers' co-operation*; *consumers' co-operation*; and *credit co-operation*.

### A. Producers' Co operation

307. **Producers' Co-operation.** It is the term given to undertakings where the workers are at the same time either complete or controlling owners of a productive enterprise.

The real beginnings of productive co-operation may be said to have arisen directly out of the first profit-sharing schemes (Vide above Part II, Chap. II, Art. VI), which resulted in the worker eventually owning the entire business.

Productive co-operation proper is, "a conscious voluntary association of workers, who seek to *eliminate the employer*, and to provide capital, labour and management for their enterprises." Usually the workers appoint a committee of management. For remuneration they either depend solely upon a division of profits, or each worker is paid an agreed wage, and receives also a division of a surplus profit.

Attempts to have producers' co-operatives run by workers, nearly all have proved failures.

308. *Advantages:* The *advantages* of productive co-operation consist in eliminating the services of the middleman or wholesaler, by purchasing raw materials collectively in greater quantities than would be possible for an isolated buyer, and so members of these co-operative organizations can effect very substantial gains. They can often have the use, too, of more efficient equipment than the individuals could afford to buy, and also obtain very helpful experience in the affairs of business. Moreover, members will work harder for themselves than for an employer: hence production and profits will be increased.

309. *Disadvantages.* 1. Normally, workers cannot provide the large outlay of capital necessary in large-scale production; yet this outlay is usually essential, if they are to compete successfully with capitalistic organizations.

2. Even if sufficient working capital is obtained, these associations normally lack sufficient reserve to carry them over periods of depression; and members run the risk of losing what capital they have, which is, of course, a serious matter for them.

3. Workers' co-operatives usually cannot compete with capitalistic organizations which have expert organizers, buyers, and marketers to carry on the necessary functions of business.

Though it seems to be ideal that workers should share in all the benefits, still on account of the above-mentioned difficulties, such organizations so far have not proved to be practical.

There are, however, certain forms of producers' co-operation which are, throughout the world, highly successful and of great importance. This is especially the case in *agriculture*. Farmers co-operate to buy supplies and market their produce in bulk. They thus render themselves independent of middlemen and get better terms both in buying and selling. They also co-operate to run productive establishments like creameries where it would be impossible or at least uneconomical for each farmer to have his own individual establishment. Co-operative societies have been formed throughout Europe to supply rural communities with fertilizers, seeds, implements, etc., for agriculture.

### **B. Consumers' (Distributors') Co-operation**

310. **Consumers' (Distributors') Co-operation.** This is an association of consumers who seek to eliminate the middleman and his profits by arranging to supply themselves with goods, instead of buying these supplies from private retailers. Their purpose is to substitute a system of service for the present profit system of retail stores.

The co-operators in these stores are not only the store workers, the manager and the assistants, but the customers. The stores are conducted on what is called "the Rochdale Plan" of paying dividends in proportion to purchases. This system has been very successful in England.

The plan works as follows: There is unrestricted membership with capital shares of one pound, payable at the option of the members in instalments of one shilling. Interest is paid on capital shares at the minimum market rates, but each member is strictly limited as to share holdings, the maximum allowed by law being £200. The government of the enterprise is strictly democratic, each member having one vote



only, regardless of his capital investment, and the management appointed by vote. Goods are purchased and sold to members in conveniently located stores at current market rates, employees being hired under the wage-contract system, and in no way partakers in the organization, unless they themselves are consuming members. All sales are strictly on a cash basis. After deduction for depreciation and reserves, and after an allocation for educational purposes in the field of co-operation is made, the remaining profits are divided among members, but in proportion to the amount of goods purchased. Computation of profits is usually made quarterly, and these profit-sharings are quarterly payments, entitled "dividends."

Good profits are secured not only on account of the large scale purchasing involved, but also because often these retail co-operative societies are themselves producers and own manufacturing plants, bakeries, farms and the like. Members have the privilege of purchasing their supplies through these wholesale organizations at customary wholesale prices, profits achieved through their co-operative efforts being divided among them in accordance with purchases, as in the retail establishments.

311. *Advantages.* The advantages of this kind of co-operation are many: 1. The cost of living for members is reduced, because they can take advantage of their profits of large scale buying, and thus decrease their purchasing expenditure. 2. Habits of thrift are promoted, for members not only must pay for their purchase in cash, but they automatically accumulate savings; and it is often an easy matter for members to leave their dividends in the society, to accumulate as capital holding, until the maximum is achieved. 3. Members, by attending periodical business meetings, voting for managers, and so forth, can learn some of the intricacies of business management.

These kinds of societies have been very successful in England, as it is shown by the flourishing condition of the English Co-operative Wholesale Society founded in 1864, or the Scottish Co-operative Wholesale Society founded in 1886. But in America Distributive co-operation has failed for several reasons.

312. *Objection.* It is objected that consumers' co-operatives interfere with legitimate trade, preventing retailers to carry on their business, which are unable to compete with these co-operatives, and thus deprive them of means of their living.

*Answer.* This is a serious question, no doubt. But the point is that retailers have taken up the occupation, because distribution was necessary. Now distribution is not for the benefit of the retailer, but the retailer exists for distribution. The distributor is for the consumers, for the people, for the greater number. If, therefore, distribution is better done by co-operation, then it is wise to adopt it. Since these methods of co-operation usually are introduced gradually, the retailers have always time to adopt themselves to new conditions without risk of ruin.

### C. Credit (Bankers') Co-operation.

313. **Credit (Bankers') Co-operation.** Credit co-operative is "the association of individuals with little amount of capital to deposit their savings and to borrow from the society, thus eliminating the profits of the banker or money lender."

Credit for the foundation of co-operative banking proper must go to Germany. Economic conditions in Germany about the middle of the last century, as they affected the farmers and the country artisans, were very precarious and very similar to what they are now in India. Economic exploitation by the money-lender was the common lot of the small farmer and artisan. This state of affairs made strong impression upon two philanthropists, who were contemporary to each other. One of them was Schulze, who started (1846) credit societies in order to improve the economic conditions of *petty traders* and *artisans*. The other was Raiffeisen, who organized first credit, and then other societies for the *poor agriculturists* who were in the iron grip of money-lenders.

314. **Raiffeisen Banks.** Raiffeisen, Mayor of Flammersfeld (Prussia), founded (1846), his first *rural credit* and *loan* society in the same town. The Raiffeisen banks were from the very beginning highly successful, and soon had thousands of branches all over Germany. Their object was to receive the small savings of rural peasant proprietors and to lend them money at low interest.

In the case of a properly constituted Raiffeisen society, the following requisites were generally insisted upon: a) Limitation of area and members of each society; say about 100 members; b) no shares or very low shares, so as to prevent dividend-hunting and to enable even the poorest to become members; c) unlimited liability, in order



to ensure better credit and mutual supervision; d) loans should be given, as far as possible only for productive purposes, and only to members; e) credit to the members for relatively long periods with facilities for repayment by instalments; f) a permanent and inalienable reserve fund; g) absence of profit-seeking and dividend-hunting and the crediting of profits to the reserve fund; h) absolute gratuitousness of administration and democratic management, so that every member, whether big or small, has one vote.

315. **Schulze Banks.** The year 1846-47 was a period of famine in Germany. To assist the poor at that time Schulze founded a society in his small native town of Delitsch to assist the poor artisans. His scheme was to found a self-supporting loan establishment to extend credit to wage earners. His scheme proved so successful that soon there were many hundred such societies all over Germany, which provide credit for artisans, shopkeepers, small business men and other middle class town dwellers.

The Schulze banks were introduced into Italy by Luzzanti in 1866. Austria had its first co-operative bank in 1885; France, in 1892; and the movement spread rapidly to other European countries.

The following are the features which differentiate the Schulze type from the Raiffeisen type:

a) Wider area of operation, comprising each society more members and territory; b) relatively greater importance of share capital, as the ordinary banks; c) limited liability; d) short-term credit; e) a smaller reserve fund, only a part of the profits being assigned to it; f) a free distribution of profits or dividends; g) paid administration to secure efficiency; and h) special emphasis laid on the business aspect of the society rather than on the social and moral results.

Both Raiffeisen and Schulze banks are necessary, being suited to meet different needs of the two classes of people for whom they are meant.

316. *Advantages.* The advantages of the co-operative banks are many, though sometimes they fail to carry on the work for lack of cohesion among the members, because of petty jealousies and due to scarcity of able business men. a) They enable interest to be earned on small savings, and make it possible for the lender to put his money to good constructive uses and to perform an important function of charity; b) they enable to secure loans, which might be too small in

amount to be handled by local banks; c) they enable a person, who lacks the financial standing necessary to secure a bank loan, to procure necessary credit; d) they prevent a man in need of money from falling into the clutches of money-lenders; e) they educate members in the right use of credit, for proof must be given of true need before a loan is granted.

One still may say that the chief advantage is that they put the poorer classes in the way of acquiring property and capital, thereby diminishing to some extent the discrepancies between poor and capitalistic classes.

### THE CO-OPERATIVE MOVEMENT IN INDIA.

317. The first Co-operative Credit Societies Act was passed in 1904. They were started on the lines of the well-known Raiffeisen and Schulze Societies in Germany. The progress of the movement has been rather remarkable, especially since 1912, when co-operation became transferred subject under the control of the Ministers in the Provinces. The co-operative movement in India has conferred substantial benefit on the country. The Credit Co-operatives have made cheap credit available to the agriculturists and artisans, thus breaking in many a village the monopoly of money-lenders<sup>1</sup>. Non-credit co-operatives have done so far very little progress in the country. But co-operation, apart from economic or material benefits, has also conferred certain intellectual and moral advantages, such as more spirit of co-operation, straight dealing, thrift, self-respect, education, etc.

In recent years, however, co-operation has been passing through a crisis, partly owing to the adverse economic circumstances created by the war and partly to certain moral defects in the working of the system, such as unpunctuality of payments, inefficient control, large overdues, etc. Still in the opinion of the Agricultural Commission "if co-operation fails, there will fail the best hope of rural India"<sup>2</sup>.

Whatever the plans of the future Government of India might be, co-operation should be one of the pivots of the rural reconstruction of

<sup>1</sup> Agricultural indebtedness, which is estimated at Rs. 1,200 crores in British India alone, is a serious problem of the rural economy in India. The best means to tackle this problem would undoubtedly be the co-operative societies.

<sup>2</sup> Cfr. *Agricultural Commission Report*, § 374.



India; but one is afraid that too much planning and that in a too much Socialistic line, might kill the progress of the co-operative movement which, to a great extent, is based on individual initiative.

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### ARTICLE V

## COMMERCIAL OPERATIONS.

### A. Market and Speculation

318. Commerce serves as an intermediary agent for producers and consumers. It has the effect of increasing the value of the goods by bringing them within the reach of those who need them, and by making their acquisition easier.

Experience shows also that, assuming active competition, commerce furnishes commodities at a low price, the interest of the merchant being to sell much by gaining little in each object, rather than to sell little by gaining much on each object. However, it is true with commerce, as with all other economic activities, that there may be a superabundant number of commercial enterprises, the result of which would be an increase in the cost of goods, each merchant trying to cover his expenses. That is the case very often in our time for the small retail business.

319. **Market and Exchange.** The term *market* is the place where buyers and sellers meet to make transactions of products. *Exchanges* are large markets of a special nature. They are of two kinds: *Commodity exchanges* where merchandise is exchanged, and *stock exchanges* (bourses) where negotiable securities may be exchanged, as loans, bonds of corporations, etc.

*Commodity exchanges* deal only with those merchandises which are sold in large quantities and which can be replaced by something of a similar nature, such as wheat, wool, iron, sugar, etc. Well-known commodity exchanges are London Rubber Exchange and New York Cotton Exchange.

The *benefits* derived from exchanges are in principle the same as those from the ordinary local markets, but in a large scale. They facilitate exchange by bringing interested parties together and by comparing all the demand and all the offers on the market. Merchants and industrial leaders can thus plan their transactions.

*Stock exchanges* in particular facilitate the use of capital. They stimulate thrift and capitalisation; they facilitate the establishment and the functioning of great enterprises by assuring a market for their securities.

320. *Speculation*. It consists in buying or selling in anticipation of the future fluctuations of the market. All who buy to-day, even for cash—because they believe that prices will have gone up to-morrow—speculate; *a fortiori*, those who buy on credit.

In itself there is nothing dishonest in speculation. It is, on the contrary, a wise act which requires prudence and reflection. It is useful to him who practise it, and profitable to all in society.

But serious speculation supposes knowledge and experience in commercial matters; it bases its forecast on positive facts, on the state of production, on the needs, bargains already made, general economic conditions, etc.

The word "speculation" is frequently used, in the unfavourable sense of gambling on the operations of the Exchange, or of dishonest commercial transactions.

321. **Periodic Crisis**. Since the time of industrialization in our society, a strange phenomenon has arisen: About every ten years there is a serious disturbance, which is often felt in many countries; at least its results are felt. They are the great periodic commercial crises. During the XIXth and XXth centuries they occurred as follows: In 1815, 1827, 1836, 1857, 1866, 1873, 1882, 1893, 1903, 1907, 1913, 1920, 1929, 1939.

It would be a very useful thing, if we were to foretell when a crisis was approaching; but it is evidently, impossible to predict such matters.



with certainty. All kinds of events, wars, revolutions, new discoveries, bad and good harvests, may occur to decrease or increase the activity of trade.

The *characteristics* of these crises are *two periods*: One of activity and economic prosperity, when the prices, incomes, wages, and the value and personal prosperity rise; and another of a decrease of production or a fall in prices, profits, incomes, wages, values, which brings ruin and dullness, or even a suspension of trade and industry.

322. **How to avoid loss by crisis.** Now, these crises are very disastrous things. They lead to the ruin of many people, and there are few old families who have not lost money at one collapse or another. It is most important that all people should remember that *very prosperous trade is sure to be followed by a collapse and by bad trade*. When, therefore, things look particularly promising, investors should be usually careful into whatever undertakings they put their money. As a general rule, it is foolish to do just what other people are doing, because there are *sure to be too many people doing the same thing*. If, for instance, the price of rubber rises high and rubber-owners make large profits, it is certain to be many people planting new rubber trees. Such a time is just the worse one for buying shares in rubber estates, because in the course of a few years, there will be a multitude of new rubber estates opened, the next crisis of trade will decrease the demand for rubber, and then there will be great losses in rubber business. As a general rule, *the best time to begin a new factory or business of any kind* is when the trade is depressed, and when the wages and interest are low.

The above rule, indeed, does not apply to speculators or promoters, as they are called, who start so many companies. They take care to sell their own shares before the collapse comes, and it is their dupes who bear all the loss. A prudent man, therefore, would never invest in any new thing during a crisis; on the contrary, he would sell all property of a doubtful and speculative value when its price is high, and invest in the best shares or Government fund, of which the value cannot fall much during the coming collapse. Business men must become bold during depressed trade, and careful during excited trade, instead of acting exactly in the opposite way.

## B. Value

323. **Elements of Value** The elements of value group themselves naturally under three heads: *Needs* to be satisfied; the *goods* which satisfy these needs; and the *relation* of the goods to the needs.

1. *Needs.* The word "need" here is used in the same way that *desire* is used, a conscious need felt and bearing upon a definite object. Whether the desire is spontaneous, artificial or imaginary, or even perverse, from the moment that it exists and motivates a person, its influence modifies in fact the value of the things. It is in this sense that authors speak of *subjective value*.

2. *Goods.* In matters economic the value of things are never compared in abstract, as gold with iron, but in concrete, as a certain quality, in a certain place and at a definite time. In other words, the goods under discussion are goods definite in their kind, in their quality, in their quantity, and considered in one place, one time, and in an ensemble of given circumstances.

Among these circumstances, there is one of important social influence: it is the *scarcity* of the object. Scarcity, which depends upon the presence or the absence of like objects or equivalents, must then, enter into value along with utility or the aptitude for satisfying a need. The most necessary object—air—which can be breathed, is generally without value, because a thousand other whiffs would replace the one we breath, were that lacking. Value is, then, a function of utility and of scarcity at the same time.

3. *The relation between goods and needs.* The value of an object is not necessarily within the object, nor exclusively in the subject or the person who desires it. It is the relation of the one to the other.

This relationship is truly the essential part of the value. If the desire becomes greater or decreases, the value increases or diminishes, the object remaining identically the same; if, on the other hand, the object improves or deteriorates, the value increases or diminishes, the desire remaining the same. Value, strictly speaking, is neither objective nor exclusively subjective; it is at the same time both—in the goods itself and in the person desiring it, or rather in the *relation of the one to the other*.

324. **Utility and Exchange Value.** *Utility value* is "the importance of things in so far as they satisfy our needs." It depends upon the object and the person.

*Exchange Value* is the importance of goods arising from their use in being exchanged for others. It depends upon the object considered in itself and the availability of other objects held by other persons, who *want to exchange*.



For this reason utility value has justly been called *personal value*, and the exchange value has been termed social value. The latter, in fact, appears only in society; it supposes economic relations between the holders of various kinds of objects. It brings face to face, not only one person and one object, but several persons in relation with different objects.

325. *Remarks.* As to the practical and moral consideration regarding the utility and exchange value in market prices, it may happen that a seller has an article that has a special utility for him, and then it seems reasonable that he can demand for the article a price corresponding to the utility value, for every one has a right to compensation for the loss or the privation he suffers by ceding his property to another.

The seller, however, cannot demand a price higher than the exchange or social value only on account of the special utility the object may have for the purchaser. The reason is that no one can sell what does not belong to him, and the special utility the buyer finds in the article, which he intends to purchase, is not in the seller, but in the purchaser. So, it is not lawful for a seller to take advantage of the necessities, utilities and caprices of the purchasers, and thus raise the price of the article.

326. **False Theories of Value** Many economists of the two diametrically opposed schools, the Classic and Socialist, have attempted to explain value in terms of labour or cost of production.

But this explanation neglects the fact that in any object may be found, in a more or less considerable quantity, elements foreign to labour and due to nature; it neglects the facts that value is a *relationship between goods and desires*, that it is influenced by the intensity of the latter, as much and more than by the cost of the former.

This theory is also opposed to facts: Experience shows us that there are things of great value which have not been the result of labour; for example, a precious stone found by chance.

Still, there is the contention that the price of products never remains very long below the cost of production, and rarely rises above it for any considerable time. But this contention arises from a vicious circle. It considers only the objects *which continue to sell*. But these sell, not because they cost more or less to manufacture, but precisely *because they are appreciated*.

When the product is both *appreciated* and *rare*, its price usually rises far above the cost of production. It does not cost more in canvas, in colours, and in labour to a great artist to paint his masterpieces,

than it costs to mediocre artists to paint their pictures: a Ruben's, none the less, is worth incomparably more than all the works of twenty daubers. A stamp which has become very rare has not necessarily cost more to be made, than an ordinary stamp.

### C. Money

Exchange, for convenience sake, brings money into use. This is the reason why we must speak of barter and money here.

327. **Barter.** When exchanges are made by *giving one commodity for another*, as when we exchange a cart-load of tapioca for a bag of rice, we are said to *barter* them.

Among uncivilized races trade is still carried on this way. Tribes living in the forests of Travancore are doing usually this kind of exchange.

*Disadvantages.* Exchange for barter cannot occur without the double coincidence of *wants* and *possessions*. What I want the other man must possess, and at the same time he must want what I possess. If, for instance, I want a gun in exchange for a book, I shall probably have to make inquiries, and wait a long time before I meet a person, who has a gun to spare and who is also willing to take my book in exchange.

A second difficulty with barter is that the two objects to be bartered be of the same value. He who owns a valuable gun cannot cut it up, and sell a part of it to another; this would destroy its value.

328. **Convenience of Money.** With the aid of money all the difficulties of barter disappear; for money consists of some material which all people in the country are willing to receive in exchange, and which can be divided into quantities of any amount. Almost every commodity can be used as money in the absence of better material. In agricultural countries corn was used so in former times. Every farmer had a stock of corn in his own granary; and if he wanted to buy a cow or a cart, he used to take so many sacks of corn to his neighbour's granary in exchange. Now suppose that, with corn as money, a farmer wanted to part with a cart and get a plough instead; he need not inquire until he finds a person willing to receive a cart and give a plough in exchange. It is sufficient if he finds one farmer who will give a plough and receive corn. Money thus acts as a *medium of exchange*; it is a go-between, or third term, and it facilitates exchange by dividing the act of barter into two acts: by *selling* a cart he gets money, and with the money he *purchases* a plough. No doubt, it turns one act of exchange into two; but the two are far more easy to manage than one, because they need not be made with the same person.



329. **Functions of Money.** The fundamental functions of money are that it acts 1) as a medium of exchange; 2) as a measure of value.

1. *Medium of Exchange.* Money is a means of transferring, from one party to another, command over commodities in general (purchasing power), thus facilitating exchanges among the members of the society and enabling division of labour to work out its results smoothly.

2. *Common Measure of Value.* Just as we measure the length of a piece of cloth by means of the yard-stick, so we measure the value of commodities by different divisions of money. By stating the prices of different commodities, it is clear that we facilitate the exchange of one commodity against another.

330. **What Money is made of.** As already remarked, almost any commodity may be used as money. Almost all the metals—copper, iron, tin, lead—have been used to make money at one time or other; but copper, silver and gold have been found far more suitable than any of the other metals. The advantages of having gold and silver money are evident. Such metals are *portable*, because they are so valuable that a small weight of metal equals in value a great weight of corn or timber or other goods. Then they are *indestructible*, that is, they do not rot like timber; thus they can be kept for any length of time without losing their value. They, as all metals, are also *divisible*; they may be cut or coined into pieces, and yet taken together will be as valuable as before they were cut up.

331. **Standard and Token Coins.** The *standard* or the principle coin is the chosen coin adopted as the unit in the monetary system, being a certain weight of gold or silver of a particular standard of fineness. A standard coin has the following characteristics: 1. Its value as metal is the same as its value as coin. For example, the gold-sovereign in pre-war England was officially equal to twenty shillings. If it was melted, one could always have twenty shillings in currency in exchange for it. 2. The standard coin is also unlimited legal tender, *i. e.*, it can be used in final charge of any liability. 3. Lastly, to the value of the standard coin ( money ), are referred the values of money of other kinds for determination.

*Token Coins* are so called because they are *tokens* of value, having an official purchasing power which they do not intrinsically possess. They are made of a different metal from the standard coin, and are dependent on the latter for the nominal purchasing power. They are intended to serve as subsidiary money for making small payments, or making up odd amounts involved in large transactions.



The token coins possess the following characteristics: 1. Their intrinsic value is less than their value as metal. If, for instance, twenty silver shillings are melted, the metal so obtained cannot be sold for £1 or anything equal in value to that. 2. Token coins are limited legal tender. In England the silver shilling, which is a token coin, is legal tender only up to forty shillings or £2. If in England you owe somebody £5 and take a hundred shilling pieces to your creditor, he is entitled to refuse to accept payment in this form. 3. There is no free coinage of token money. The public cannot take ingots of metal to the mints and have it turned into token coins.

The rupee of India is a mixture of token and standard coin. It is like a standard coin in that it is unlimited legal tender. It is like a token coin in that its official value, 1s. 6d. sterling, is very much more than the market value of the silver which contains.

332. **Legal Tender.** Money certified by law to be valid for final discharge of debts of *any* amount is called unlimited legal tender money. Standard money is usually full or unlimited legal tender. Token money, on the other hand, is limited legal tender. For example, the sovereign is full legal tender; but the shilling is legal tender only for forty shillings at a time. The rupee and the half-rupee, though tokens, are unlimited legal tender; but the nickel coins are legal tender up to one rupee only. If a man owes me Rs. 500/- and he offers payment in the form of rupee coins or currency notes, I must accept the payment. If, however, he wishes me to accept payment in the form of 4,000 two-annas nickel coins, I have a right to refuse payment in this form, because the rupee and rupee notes alone are legal tender for any amount.

## D Price

333. Price is "*value expressed in money.*" Usually we use both—price and value—to express the same idea. If we want to know how the price is established in a market, it is necessary to observe what our daily experience teaches us from what happens in the public market.

Both those who sell and those who buy try first of all to *study the situation*. Generally they make a comparison with the previous prices in the market. They sound one another little by little. But after some time both will conclude by agreeing; because the purchasers, though desirous of paying as little as possible, want to buy, never-



theless; and the sellers, though wanting to sell at as high a price as possible, want to sell.

Sometimes, the price varies slightly from the opening to the close of the market. Ordinarily also there is a slight fluctuation between *the maximum price* and *the minimum price*.

**334. Fluctuation of Prices.** If we bear in mind certain facts, these fluctuations are easily explained. Four factors, in fact, enter into determining the prices: a) The utility of goods, that is, the measure in which they satisfy our needs or desires; b) their scarcity; c) the more or less abundant resources of the purchasers, and particularly the amount they have to expend; d) their willingness to purchase or to sell. At first sight it seems that these four factors are susceptible of many variations and to varied combinations. From these arises the perpetual movement of values and the instability of prices.

One question arises here: Do this mobility and variety of factors enable one to establish moral laws and norms of justice, to which the conscience should conform in determining the prices?

This question divides economists and moralists into two different schools. The former claim that irresistible economic laws dominate the formation of prices; and that, even if some individuals escape them, the entire market cannot. They conclude that ethics and law are incompetent in matter of price. The latter reason from a principle of justice or for a concern for the social order. They see an abuse in the enormous gains of certain sellers who profit from public distress. They appeal to the conscience, but without solving the problems and without overcoming the difficulties that are placed before them.

We would like to show how agreement is possible between the two points of view; for, the phenomena of the formation of prices imply the direct intervention of the free will of the parties. From this it follows that action left to human liberty in the determination of prices calls for moral or ethical laws, and allows an effective intervention of power.

**335. Special Laws of Fair Price.** First we must establish the principle that "a moral preoccupation and a desire for justice should govern the establishment of prices."

This principle has two general applications: 1) *In transactions among the individuals*; 2) *in the organization of system of goods*.

336. I. **Transactions among the Individuals.** *As to the transactions among the individuals*, commutative justice should regulate the exchanges among them. Now, in order to obtain this, certain special laws are to be observed:

a) *Just Price and the Agreed Price.* The Liberal economic school holds the view that "just price is agreed price," excluding, of course, compulsion, fraud and error. But St. Thomas tells us that, besides the agreement of the parties to agree upon a price, there must be a *relation of equality between the articles purchased and the amount of money* given for the same. Here are his words: "Whatever is established for the common advantage should not be more of a burden to one party than to another; consequently all contracts between them should observe 'equality' of thing and thing . . . If, either price exceeds the quantity of the thing worth, or conversely, the thing exceeds the price, there is no longer the equality of justice; and, consequently, to sell a thing for more than what it is worth, or to buy it for less than its worth, is in itself unjust and unlawful" <sup>1</sup>. Hence to sell things for what they will fetch, or for what the seller can impose, is immoral and opposed to commutative justice. St. Augustine still goes further, when he says: "To desire to buy a thing too cheaply and to sell a thing too dearly, is truly a sin" <sup>2</sup>.

b) *Market Price.* Under normal circumstances, and in a competitive economic system, market price is supposed to be the "just price." It refers to what moralists generally call *common estimation*. It corresponds not to mere convenience of the buyer and of the seller, but to that of common good; and it is a price that, in ordinary circumstances, rules the economic field in an organized society, at least, regarding the *essential commodities* of life. Under normal conditions, therefore, and in competitive system, the price spontaneously established in the market may be considered as the just price.

There are, however, certain things, such as buildings, fields, etc., the market price of which often does not exist. In such cases the *free agreement*, without pressure and fraud, could be taken as the reasonable standard to determine the just price. It corresponds to what the moralists call *conventional price*.

c) *Monopoly.* By monopoly is meant that condition or situation of affairs in which a particular seller *alone* holds the whole stock of

<sup>1</sup> Sum. Theol., II-II, art. 77, q. 1.

<sup>2</sup> "De Trinitate," Chap. 1.



that particular commodity available in the market. In the case of monopoly, the price is not fixed through mutual agreement or by the market, but by the will of the monopolist. But can he fix the price at his will? By no means. He may fix the price only in accordance with the existing supplies; otherwise, great injustice is done to the public. This injustice is measured by the excessive prices the monopolists demand for basic *commodities*, because there is scarcely any abuse in asking high prices for *mere* and *pure luxuries*.

d) *Manipulation*. One of the black spots of business consists in artificially altering the market price by causing alarming impressions that there is scarcity of certain stocks, and in selling things at abnormally high prices, taking advantage of this artificial scarcity. This action commonly is called "profiteering," and all the profit thus made is ill-gotten money. In such a juncture "just price" is the same as that of the normal conditions; that is to say, the one which could be established in the absence of manipulation.

Due to war and other social or economic reasons, there may happen *scarcity* of essential commodities. In such circumstances the principles of monopoly hold good; consequently, the price must correspond to the existing supply. It is unjust on the part of the hoarders of goods to profit by the circumstances regardless of the principle of justice and common good. It cannot be, however, denied that merchants have right to get a suitable remuneration for their expenses, their risks and their work.

337. 2. **The Organization of a System of Goods.** The legislator should seek which system of goods he should establish, according to the circumstances; which share he should leave to private ownership and to common ownership; what play he should give to free competition; what restrictions he should impose upon monopolies; what commercial regulations he should prescribe; what kind of contracts he should allow and should prohibit; what products he should exclude from the exchanges; what latitude he should leave to professional associations, etc., etc.

It is, therefore, imperative that Government in times of crisis should interfere for the sake of the good of the public and exercise a rigorous control over the essential commodities of life, and regulate transport and prices of articles of primary necessity. By these means the profiteering will be put to an end, and the citizens will be able to carry on the normal life.

*Legal Price.* Government, as the agent of the common good, can consequently fix legal prices; and, if the price be reasonable, they are *binding in conscience*. So any violation against just legal prices imposes the obligation of restitution. The main reason why the Government should control commodities and prices in times of crisis is to make the supplies of necessary things reach to the citizens at a relatively reasonable price.

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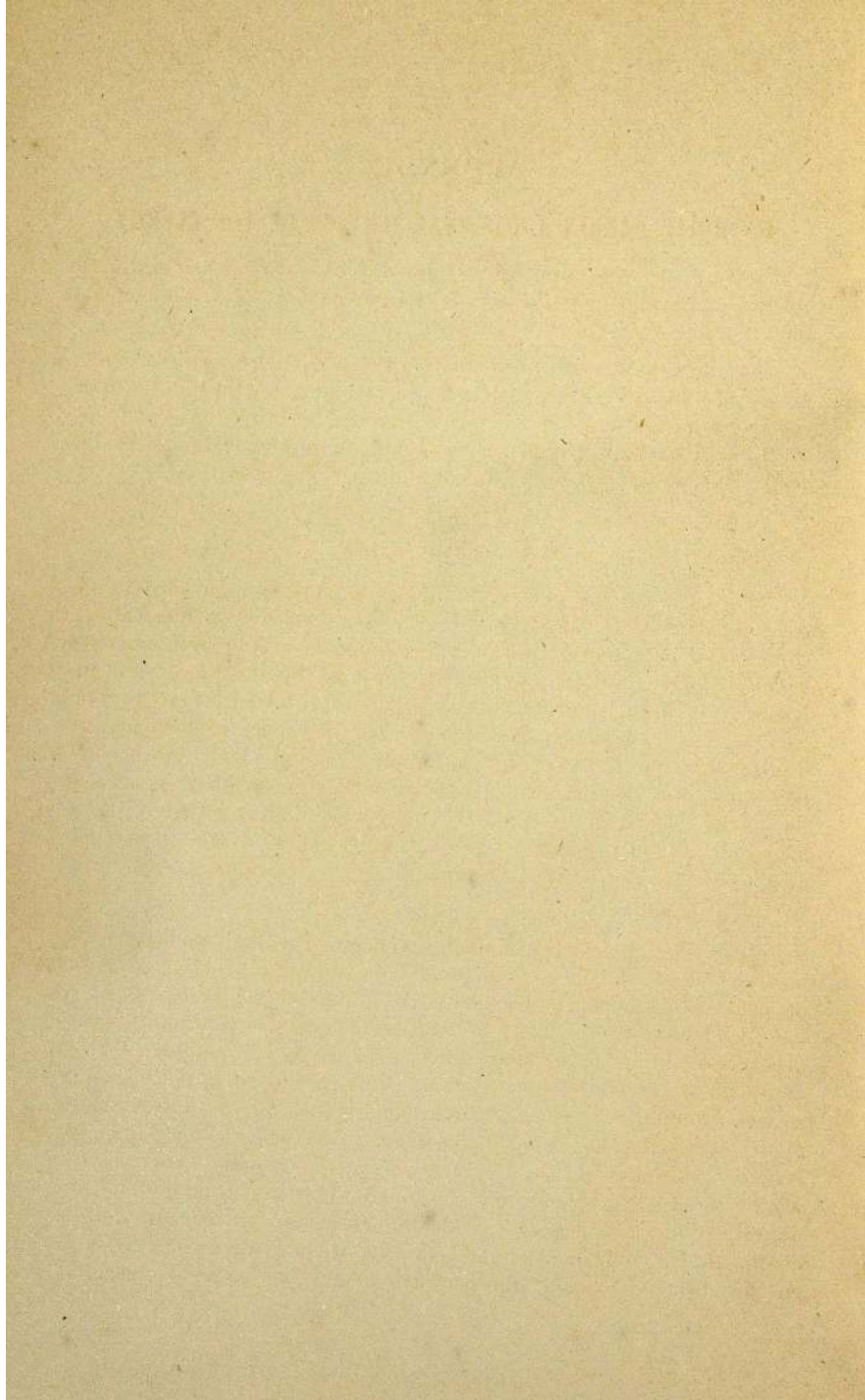
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## APPENDIX

### CATHOLIC ACTION AND SOCIAL SERVICE OF THE CLERGY

338. As an appendix to this Manual, it may be good to add some practical applications of Christian Sociology, namely "Catholic Action" and "Social Service of the Clergy."

Sociology is the study of man's social relations, while Catholic Action and the Social Service of the Clergy aim at adjusting the individual to higher social perfection. They include all those activities which help to improve the material and spiritual conditions of the people and, as such, they are as old as Christianity itself:

#### A. Catholic Action

339. Though the phrase "Catholic Action" is of comparatively recent invention, it does not mean a new activity of the Catholic church, but only the extension of the Kingdom of Christ through the *activity of lay apostolate*, guided and inspired by the Clergy and the Hierarchy. In the words of Pope Pius XI. "*it is the participation of the laity in the apostolate of the hierarchy.*" It implies in the laity the leading of a true Catholic life, the promotion of the Faith in all possible ways, and the rendering of social service under the guidance of the clergy. It is, in general, the help which laity can give to the hierarchy and clergy in matters concerning the Catholic Church. It affects all forms of social life—domestic, civic, economic, educational, recreational, and so forth.

340. **First Requisite of Catholic Action : Personal Holiness.** The greatest end of Catholic Action, says Pope Pius XI, is the "pursuit of personal Christian perfection." In so far as we realize that we have to imitate Jesus Christ, we will strive to attain personal holiness; and in proportion as we strive after holiness, so will be the value of our influence in the Catholic Action. Though holiness is essentially a personal thing, its influence cannot but be felt in the surroundings. Man is a social being; and all his actions, whether good or bad, have certainly influence in others. Good example is surely needed in the world; for, civil and economic evils and disorders of family life are all largely due to negligence about principles of religion and its accompanying obligations. The following are the words of Leo XIII on the effect of religion and personal holiness in temporal concerns:



"Neither must it be supposed that the solicitude of the Church is so occupied with the spiritual concerns of its children as to neglect their interests temporal and earthly. Its desire is that the poor, for example, should rise above poverty and wretchedness, and should better their condition in life; and for this it strives. By the very fact that it calls men to virtue and forms them to its practice, it promotes this in no slight degree. Christian morality, when it is adequately and completely practised, conduces of itself to temporal prosperity, for it merits the blessing of that God who is the source of all blessings; it powerfully restrains the lust of possession and the lust of pleasure—twin plagues, which too often make a man without self-restraint, miserable in the midst of abundance; it makes men supply by economy for the want of means, teaching them to be content with frugal living, and keeping them out of the reach of those vices which eat up not merely small incomes, but large fortunes and dissipate many a goodly inheritance" <sup>1</sup>.

**341. Second Requisite of Catholic Action: Social Service.** Catholic Action means more than a mere passive striving for perfection. It means, as we have said, living as Christ lived.

It means, also, believing and carrying out Christ's teachings. As Pius XI says: "Its first consideration should be to make good Christian. But the Christian once trained, must spend outside of himself the life that he has received. He ought to carry everywhere this treasure of Christianity and make it live in every field of life, in the family and in public life, not excluding politics" <sup>2</sup>.

Priests help in Catholic Action with every sermon they preach, every sacrament they administer, every aid they give to their flock. But there are other works—all the various social activities—in which Catholics can participate along with the priest with profit for society. As Pope Pius XI stated, the help of laymen is indeed needed, for "priests, because of the scantiness of their number, are powerless to meet the necessities of souls" <sup>3</sup>.

The social activities in which Catholics can participate are many. They comprises all social services for the betterment of mankind—missionary work, and the practical application of the teachings of Christ and His Church to the problems and needs of the individual, the family,

<sup>1</sup> Encyclical: *Rerum Novarum*.

<sup>2</sup> Letter to Cardinal Bertran, *Catholic Mind*, March 8, 1924, p. 82.

<sup>3</sup> Ibidem.

civil society, occupational society and every phase of social life. This does not mean that all Catholics are in duty bound to become professional social workers; but it does mean that every one must participate in some form of social service. Some will have few opportunities, others many. The important thing is to be sure that we are not neglecting any opportunity in the service of our neighbour.

Catholic Action does not constitute "a special and exclusive form of action. On the contrary, it evaluates and directs toward the social apostolate every work or association, above all religious, that can be particularly directed toward the formation of youth and the progress of Christian society, or which has ends of a civil and economic nature" <sup>1</sup>.

We must note, however, that Catholic Action is a participation in the apostolate of the hierarchy. In nearly all cases the Catholic must submit his practical social work to the jurisdiction of his priest or Bishop. All Catholic Action or social service must have religious sanction. Nevertheless, it is not to take the place of clerical activity in the express words of the Pope, its duty is to *supplement* that activity.

To help the reader to realize the immense number of ways in which laymen can further the cause of Catholic Action, we can make some specific applications of the chief forms of social work to which we have already referred.

a) *Direct Catholic Action* must start from the source of all Christian life—the Holy Eucharist. It will initiate by an Eucharistic apostolate by making people take an active part in the daily and universal offering of Holy Mass, and by promoting more frequent and more fruitful Holy Communion. Catholic Action must facilitate and improve the teaching of catechism to children, to catechumens, and even to the insufficiently instructed Catholics. Catholic Action should work for the deepening of the Christian life by the Apostleship of Prayer, by the practice of mental prayer, and by promoting missions and retreats. In missionary countries, Catholic Action should primarily be Missionary Action, its chief endeavour being to bring over non-Catholics to the true fold of Christ. Catholic Action must support the Catholic press, and spread Catholic literature, making it more accessible to the public. Lastly, Catholic Action must help Catholic schools, and arrange further courses of instruction to adults.

<sup>1</sup> Pius XI, Letter to Cardinal Bertran.



b) *Indirect Catholic Action* must include work for the sick and the needy, the poor and the depressed, by attending to them individually, by making the general public take interest in them and by improving general conditions. In economic and social institutions, Catholic Actionists should suggest principles truly just and supernatural, and thus try to introduce the Christian Social Order. As regards politics, Catholic Action, as such is above and outside political parties and activities; it will, however, assist right government by inspiring its members to fulfil consciously their civic duties, obey the authority and uphold the common good.

With regard to all these activities, Catholic Action must ever put the spiritual before the material, the supernatural and eternal before the temporal.

342. **All Catholics should participate in Catholic Action.** All Catholics have a definite responsibility to take part in Catholic Action, for its programme is none other than the fulfilment of a definite command of Christ. It is not merely for educated or leisured classes, nor solely for priests or religious congregations of men and women. All men are bound to strive for holiness of life; and all are bound also to extend, wherever possible, a helping hand to those in need. Christ's word in the Gospel did not apply to any one particular class; they refer to all men. We have positive command to "love our neighbour as ourselves."

If Catholic Action is to be successful, all Catholics, rich and poor, educated and uneducated, must perform their duty of charity and justice towards their neighbour. Pope Pius XI affirms this universal need in the following words: "Catholic Action should be a universal action, uniting Catholics without exception as to age, sex, social condition, education, and national and political tendencies, provided they do not deviate from evangelical doctrine and Christian law, and they do not imply renunciation of either this doctrine or this law. It should be on the whole, an action that affects every man in his private and public life, securing to him the best basis of thought for private and public matters, that is to say, solid piety, an adequate knowledge of religious truths, a life of integrity, all of which are essential to any sort of participation in the apostolate of the hierarchy" <sup>1</sup>.

We must note, however, that individual Catholic Action is not enough. Many of the activities we mention as belonging to Catholic Action are possible only by organizing social groups. The individual

<sup>1</sup> Letter to Cardinal Bertran.



alone is not sufficient for the task. Nor are single Catholic groups sufficient to meet all needs. Many groups banding together can often effect much more than could be attained without such union.

343. **Italian Catholic Action Organization.** The Italian Catholic Action organization is often proposed as the model where the above given principles are put into practice. The Italian Catholic Action Organization consists of four main branches for the four natural divisions—Men, Young Men, Women and Young Women—which branches are organized by parishes, by dioceses and by the whole country. Besides, there are two groups for the University Students, which are independent of the parish organizations, but stand directly under the diocesan authorities. In each of these six branches, whether in the parochial, diocesan or national organizations, the President (layman) and the Ecclesiastical Assistant (priest) are directly nominated by the Bishops. In the parish, the presidents of these organizations, form, along with a few members (not more than four) appointed by the Parish Priests, a Parish Council, the President of which is again appointed by the Bishop. This Council is to assist the Parish Priest in all general parochial matters. Representatives of each parochial group form diocesan groups, over which is again a Diocesan Council, on similars line as the parochial Council. For the whole country there is a Supreme National Council, which is immediately under the Holy See.

344. **The Catholic Action in India.** The Standing Committee of the Catholic Bishops' Conference of India, at their meeting in Madras on September 26th, 1944, decided that there be established a Section called "The Committee of Catholic Action" (C. C. A.). The purpose of this Committee is to establish, to develop and promote Catholic Action, and to co-ordinate, link and federate the various Catholic Action movements in India. It is an episcopal committee working in the name and under the authority of the hierarchy of India.

As it is stated in the Statutes, the Committee must organise Catholic forces to defend, exert and spread the teaching of the Church and apply it to the life of individual, of the family and of Catholic society. It intends to form and train leaders of Catholic Action for the purpose as one of the vital needs of the day.

The units of Catholic Action are dioceses and parishes. Central and directive offices are to be established to co-ordinate and guide the activities of the various units.

To make more effective Catholic Action use must be made of the Press, the Youth Movement, Scouting, etc., in an ever increasing degree, and their conduct in public and private should be shaped in accordance with Catholic ideals. In order to achieve this object capable and intelligent lay leaders are to be recruited to assume the responsibility of carrying out the task allotted to them by Catholic Action.



The organization of an All-India Catholic Action is now a fact, and we hope that this organization will make much more effective the work of the various unconnected Catholic Action units which were carrying on dispersely their work in the different dioceses and missions of India<sup>1</sup>.

345. **Catholic Action in the Past.** Catholic Action is not a new development, since it means the carrying out of the teachings of Christ and the extension of His Kingdom. Christ made charity a positive and outstanding command for salvation. The neighbour whom He commanded us to serve is any one in distress, as the parable of the Good Samaritan teaches us. History gives us ample proof of how earnestly the Church has always tried to carry out this command. Its records give evident testimony of the immense debt of gratitude the world owes to the wholehearted and unselfish devotion of vast armies of priests, monks, nuns, and lay folk who have cared for the sick and needy of all nations, creeds and conditions, throughout the ages.

### B Social Service of the Clergy

Though all Catholics are called upon by the Church to take part in it, Social Reform is a matter of special concern to the clergy. True that lay co-operation is essential, but priests have their particular obligations in the matter by reason of their special position and personal influence. It is not, therefore, surprising to find the Holy See laying particular stress upon those obligations, and praising the efforts of priests who in various ways have taken initiative in social service.

The following well-known passages from Pius XI may be recalled here: "No easy task (social service) is imposed upon the clergy; wherefore, all candidates for the sacred priesthood must be adequately prepared to meet it by intense study of social matters"<sup>2</sup>. Nor does the Holy Father feel satisfied by commending that every priest must be intimately acquainted with social problems, but he further assumes that some will be singled out to devote themselves specially to this work; and concerning their qualifications he writes: "It is particularly necessary, however, that they whom you (Bishops) specially select and devote to this work should show themselves endowed with a keen sense of justice, ready to oppose with real manly constancy unjust claims and unjust actions; that they avoid every extreme with consummate prudence

<sup>1</sup> Cfr. *Report of Catholic Bishops' Conference of India, Bangalore, 1944*, p. 47-60.

<sup>2</sup> *Quadragesimo Anno*.



and direction; above all that, they be thoroughly imbued with the charity of Christ, which alone has power to incline men's hearts and wills firmly and gently to the laws of equality and justice"<sup>1</sup>.

The Holy See not only encourages the clergy in general to take up social work, but also orders that some priests at least be specialised in every diocesan social matters.

346. **Attitude of the Clergy in Social Service.** In general, circumstances of each country and locality will determine the particular course to be followed by priests in a given case as regards social service. Let us confine ourselves here to some brief suggestions:

1. *Regarding Capital and Labour.* Men who work in factories and mines, occasionally need, not only material assistance, but also moral encouragement. The priest should keep in good terms with the owners of industrial establishments, because this may give him an opportunity to better the condition of his people by timely advices. Both the employer and the employee have their own notions about right and wrong. These notions must be corrected and brought up to the proper standard now and then. By taking an active interest in the ordinary trials and troubles of his people, by following them in the works of daily life, by showing warm sympathy for them, the priest will not fail to gain their confidence and keep them away from the baneful influence of radical agitators. Contentions in social life come from the neglect of the ten commandments. Transgression of the moral law leads to industrial decline. "People who follow the decalogue enjoy the highest degree of temporal prosperity and well-being. The observance of the divine precepts carries men safely through periods of depression"<sup>2</sup>.

2. *Regarding the Poor.* The priest must be the faithful friend of the poor and needy. By relieving their bodily distress, he will gain their confidence and get access to their souls. "The poor", said Our Lord, "you have always with you." At all times it has been the pride of the Catholic Church to alleviate the wants of suffering mankind. A zealous priest will follow this traditional practice. Whilst the worldly-minded run after pleasures and amusements, and wealthy capitalists and money grabbers harden their hearts and by oppressive measures sow wrath and hatred, the minister of Christ will sympathetically watch the sufferings of his brethren, and come to their aid even

<sup>1</sup> Quadregesimo Anno.

<sup>2</sup> Bishop Stang, *Ecclesiastical Review*, March, 1904.



before he is called upon. It is true that laity must have a large share in contributions for charities; but a priest, though his income be small, must manage to give something to the poor. Let us bear in mind the words of Christ: "Make unto you friends of the mammon of iniquity, that when you shall fail, they may receive you into everlasting dwellings."

3. *Regarding the dangers of Communism.* The radical movement of Communism with its destructive tendencies is rapidly increasing in India too, not only in industrial areas, but also in villages. It will no longer avail to say that our Catholic people are too well grounded in their faith to fall into the snares which the modern demagogues of proletariat preach. So dazzling are the brilliant pictures presented to the workers by Communistic propaganda, so fascinating the language used, so bold the tactics, that hundreds and thousands are inclined to embrace Communism in the hope of finding a sure and effective cure for the suffering working class.

Everywhere this propaganda is at work. Even Catholic working men lend a willing ear to the boastful arguments of the Communists and begin to swell their ranks. Shall the priest whose heart is with his flock, be silent and stand by idle? No, it becomes his imperious duty to protect his flock against these ravenous wolves. In public and in private, in sermons and conferences, he must often touch the social question, refute the arguments which these would-be reformers advance, disprove their statements, lay bare their fallacies and divest their high-sounding promises of their illusions. But he must be careful to inform himself adequately on the social questions, which are complicated and difficult, before he takes an attitude in public that may hurt his own influence and seriously injure the Catholic cause.

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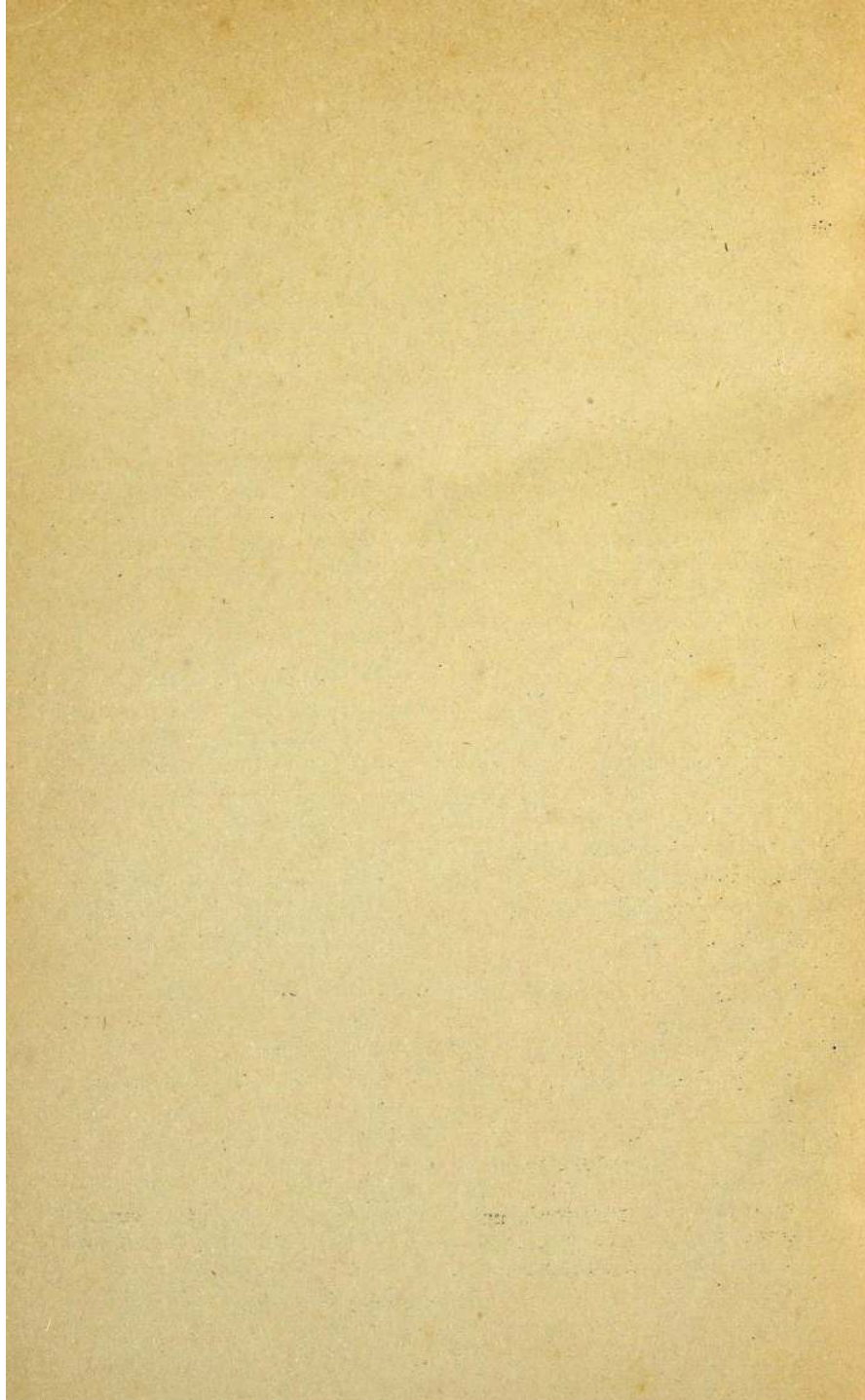
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