

Anton Rauscher

**PRIVATE PROPERTY**

**Its Importance for Personal Freedom  
and Social Order**

**Ordo socialis**

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Anton Rauscher

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## Preface

When we began the international series *Ordo Socialis* two years ago, we did not count on such a great worldwide response. In the meantime, this publication has gone to forty countries on all continents. We have received numerous letters encouraging us to continue this series, especially from Third World countries. We are therefore happy to present today the third issue of this series which deals with a central theme in the intellectual discussion about the just order of society: the role of property from the viewpoint of Catholic social teaching. Property is in fact an important touchstone for the respect of the dignity of the human person by a social order. On the other hand, the recognition of the social obligation of property sets a boundary to a purely individualistic order of society. There are differences of opinion about property in the individualistic and the collectivistic conception of society. The judgment about property by Catholic social teaching is therefore of fundamental importance for us. We hold private ownership - even of the means of production - to be indispensable for the efficiency of an economy and for the humanity of a society. We believe that the development of the Federal Republic of Germany after the Second World War through the program of the social market economy has provided convincing proof of this. The author of this work, a co-editor of *Ordo Socialis*, is one of the leading proponents of Catholic social teaching in the Federal Republic of Germany. Prof. Anton Rauscher, S.J., holds the chair for Christian social teaching at the University of Augsburg and is director of the Center for Catholic Social Sciences in Mönchengladbach, a center of Catholic social thought and research in our country that is rich in tradition. Prof. Rauscher is also an advisor to the German Bishops' Conference in questions of economic and social order.

We hope continually to expand the circle of *Ordo Socialis* and are thankful for every suggestion.

Cornelius G. Fetsch  
Johannes Stemmler

# **PRIVATE PROPERTY ITS IMPORTANCE FOR PERSONAL FREEDOM AND SOCIAL ORDER**

## **Chapter 1: Controversial Views on Property: The Development in Europe since Industrialization**

The Christian conception of man's relation to material goods, and thus also to property, has had to be reconsidered since the beginning of modern society and industrialization. With the decline of the estates of medieval society, the diverse social obligations and duties were shattered, which rested above all on the ownership of landed property, and on whose best possible management the weal and woe of the population depended. With the French Revolution (1789), the rallying cry of the liberation of man won acceptance. Farmers were no longer to be subject to landlords and to have to pay tribute to them, and the craftsmen were no longer to be bound by the rigid rules of the guilds.

### **The Liberal Concept of Ownership**

From the demand for the abolition of landlordism, which was primarily practiced by the nobility and the Church, it was only a small step to the conception that ownership is a „holy“ and „inviolable“ right, and the liberal propertied bourgeoisie did not hesitate to apply this „principle“ to the existing property relations. Incidentally, with the liberal movement, the term „private“ ownership gained full acceptance, which further underscored its exclusive claim vis-a-vis the public (state) authorities.

The right to property was understood in thoroughly individualistic terms as the right of the individual to dispose of the goods in his possession to the exclusion of a third party, with full freedom, according to his own pleasure, and without any social limits, obligations, or duties. And this was to hold for every kind of ownership: of consumption goods for personal use as well as of landed property, of houses and residences as well as of the new means of production, the factories. For this conception of the absolute autonomy of the individual, a state right of intervention in order to control possessory interests and property relations on behalf of the public welfare was, of course, a sin against the spirit.

This way of thinking about property, which found its strongest expression in the economic liberalism of the last century, stood in radical opposition to those values that Christianity had implanted in the European social order. All property had not only rights, but also duties; it had to serve society and not exploit those who are weaker. Unfortunately, the Church and theology were so debilitated at that time that they could not take early measures against the revolutionary wave and the liberal positions. But far-sighted and socially active Christians, such as the Catholic social philosopher Franz von Baader or the falsely so-called Romantics, soon made their protest and resistance known.

### **The Socialist Demand for the Abolition of Private Property**

Revolutionary socialism adopted the radical counter position to liberalism and its individualistic understanding of ownership. The misery of the workers, which, contrary to the promises of liberalism, was becoming more and more critical, formed the starting point for Karl Marx. They had moved from the country to the suburbs in order to earn their bread in the factories. They were economically, socially, politically, and culturally without rights and fully delivered up to the lords of the new means of production. The latter employed them when they needed them and dismissed them when they could no longer market their products. They treated them like a commodity and paid them starvation wages. Under these conditions, Karl Marx developed the thesis according to which private property was the original sin of mankind with

which all other evils and forms of egoism came into the world and which tore asunder the unity of the human race, which he thought of in collective terms. Only the abolition of private property would eliminate the root of all evils, abrogate class division through the „expropriation of the expropriators,“ and introduce a society in which each would work no longer for himself, but all would work unselfishly for one another, in which distribution would be made to each according to his needs, and in which the equality and freedom of all would be realized.

### **The Answer of the Church**

These frontline positions demanded from the Church a convincing answer to the question: Where do you stand on the issue of private property? This was no easy undertaking for the Church, and not only because both movements, liberalism as well as socialism, were fighting against her and often poured derision upon her. The challenge weighed even heavier: it was not enough to condemn the dreadful evils of the class society; rather, it was a question of making fruitful, for the ordering of the new industrial society, points of helpful orientation drawn from the resources of the Christian message.

Leo XIII made this reproach against the liberal movement:

„The ancient workmen's Guilds were destroyed in the last century, and no other organization took their place. Public institutions and the laws have repudiated the ancient religion. Hence by degrees it has come to pass that Working Men have been given over, isolated and defenceless, to the callousness of employers and the greed of unrestrained competition. The evil has been increased by rapacious usury, which, although more than once condemned by the Church, is nevertheless, under a different form but with the same guilt, still practiced by avaricious and grasping men. And to this must be added the custom of working by contract, and the concentration of so many branches of trade in the hands of a few individuals, so that a small number of very rich men have been able to lay upon the masses of the poor a yoke little better than slavery itself“ („Rerum novarum“ 1891, Nr. 2)

With equal unambiguousness the Pope rejected socialism:

„To remedy these evils the Socialists, working on the poor man's envy of the rich, endeavour to destroy private property, and maintain that individual possessions should become the common property of all, to be administered by the State or by municipal bodies. They hold that, by thus transferring property from private persons to the community, the present evil state of things will be set to rights, because each citizen will then have his equal share of whatever there is to enjoy“ („Rerum novarum,“ Nr. 3). Among the reasons he opposed the abolition of private ownership, Leo XIII first and foremost named the damage inflicted thereby on the working classes themselves: „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 receiving 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 that 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; and, consequently, a working man's little estate thus purchased should be as completely at his own disposal as the wages he receives for his labour. But it is precisely in this power of disposal that ownership consists, whether the property be land or movable goods. The Socialists, therefore, in endeavouring to transfer the possessions of individuals to the community, strike at the interests of every wage earner. ..“ („Rerum novarum,“ Nr. 4).

### **Suspicious against the Church**

The Church's advocacy of the workers, of just wages leading to the formation of personal property on the part of the worker, and of human working conditions was quickly suspected by the liberal forces in politics, science, and the press, as if the Church were making common

cause with the revolutionary socialist party. On the other hand, the Socialists spared no efforts in denigrating the Church and in reproaching her with advocating the existing possessory interests through her defence of private ownership, siding with the rich and powerful, and putting off the workers with the promise of the beyond. The Church in Germany, however, was anything but rich; in the secularisation of 1803, she had lost her lands to a large extent. And the rich industry barons, who almost without exception belonged to Protestant denominations, had little left over for the Church and for charitable works. Only profit counted for them, which, of course, they did not spend, but placed in new investments. The Church was not in league with the powerful either. She had to ward off the encroachments of the Prussian State, which sought to keep her on a string. This oppression and persecution reached its peak in the Kulturkampf under Bismarck. Many Catholic workers did not allow themselves to be influenced by the anti-clerical slogans and lies of the Socialists because they sensed that Pope Leo XIII, bishops like Ketteler, socially active priests like Adolf Kolping or Franz Hitze, and leading Catholic laymen in the syndicates, Christian labour unions, and the Center Party represented their interests and fought for social reform. But the Socialists speculated on those workers who had moved away from home, who were unleashed by pastoral ministry in the rapidly growing cities, and whose traditional tie to the Church had been loosened. In his encyclical „Quadragesimo anno“ (1931), Pius XI already opposed the accusation made against the Pope and the Church that they favoured the propertied classes to the detriment of the unpropertied (Nr. 44). Pius XII also took up this question and declared: „In defending, therefore, the principle of private property, the Church pursues a high ethic social purpose. She does not intend to defend absolutely and simply the present state of affairs, as if she saw in it the expression of God's will, nor to defend as a matter of principle the rich and the plutocrat against the poor and the indigent. Far from it! Right from the beginning she has been the defender of the oppressed against the tyranny of the powerful, and has always sponsored the just claims of all classes of workers against every injustice. But the Church aims rather at securing that the institution of private property be such as it should be according to the designs of God's wisdom and the dispositions of nature; an element of social order, a necessary pre-supposition to human initiative, an incentive to work to the advantage of life's purpose here and hereafter, and hence of the liberty and the dignity of man, created in the likeness of God, Who, from the beginning, assigned him for his benefit domination over material things“ („The Fifth Year of the War,“ Catholic Mind 42 1944:581).

## **Chapter 2: The Dangers of Riches**

The critical dialogue with the liberalistic and socialistic positions forced the Church to define more precisely the foundations and arguments of Christian thought about man's relation to material goods. Especially the great theologians of the Middle Ages like Thomas Aquinas, to whose reflections Bishop Ketteler and Leo XIII were able to go back, had of course, treated questions of ownership earlier. And occasionally there were in the Christian realm also sectarian movements, which rejected ownership. On the whole, however, the Church had occupied herself in preaching and moral instruction, not so much with the teaching on ownership, but primarily with its various abuses.

### **The Statements of Holy Scripture**

With regard to the biblical writings, ownership is simply presupposed in both the Old and the New Testament, placed under the protection of the moral law, and illegal violations are threatened with punishment. The seventh commandment runs: Thou shalt not steal! The prohibition form is so unambiguous that the norm contained in it cannot be discussed away or reinterpreted. Nor is it limited, for instance, to consumption goods, but holds for all goods in one's

possession. Finally, the tenth commandment is directed to even the illicit coveting of one's neighbor's goods.

And nowhere in the Bible is there found an instruction or even an indication to the effect that ownership is disreputable, suspect, or morally reprehensible, and therefore to be eliminated or even suppressed to a large extent. Even the directive (which, however, hardly became effective), according to which plots of land that had to be sold out of economic necessity were to revert to the original owners in the year of jubilee taking place every fifty years, is directed against the concentration of land, but not against the ownership of landed property as such (Lv 25:10 ff). There are numerous passages in the Old Testament in which the duty of careful cultivation of the land and of making provision for the needs of the extended family is urged. Not a few parables of Jesus point in the same direction, for example, that of the workers in the vineyard and that of the talents which are given to man and which he is to double. Nor should it be overlooked that the so insistently urged duty of assisting the poor and helping them is only possible if there is a right of disposal over one's goods.

The right to ownership in Holy Scripture, however, is not understood as an absolute, unlimited one, as if the individual could do with his property as he pleased and owed no one an account of the way he uses the goods belonging to him. The „autonomous“ man as constructed by the Enlightenment is unchristian, a product of modern, a-religious secularism. According to the creation account of Genesis, man is the „image of God,“ and he is to have dominion over the earth; nevertheless, God is and remains the true owner of the earth, which is „entrusted“ to man. The dominion bestowed on him by God is not of such a kind as that devised by Machiavelli, but a task for which man must render an account before God. „For the land is mine, and you are but aliens who have become my tenants,“ says the Lord (Lv 25:23).

„God alone is the Lord of all things,“ as Thomas Aquinas formulates it (Summa theologiae. 66, a. I, ad I) and thereby expresses the biblical thought that the whole of creation belongs to God. Therefore, man cannot be its original owner, but only an administrator and custodian of the goods entrusted to him. At the same time, that means that man cannot deal with his goods, or perhaps even destroy them, according to his whim and fancy, but that he must deal with them carefully and responsibly. Had this Christian insight remained alive, early liberal thought would have received the necessary correction at the very beginning. The notion of the right to private property as a „holy“ and „inviolable“ right would hardly have been able to win acceptance. Nor would those ruinous practices have come about which are burdening nature and the environment more and more. Today we are beginning to understand what devastating effects the loss of the knowledge about these connections has had.

### **Poverty and Riches**

Of course, one only gains a fitting image of what Holy Scripture teaches about our dealings with the goods of this earth when one includes the statements on poverty and riches. Certainly there are passages, especially in the earlier period, which interpret the abundance of goods as a divine blessing and pleasingness to God, and poverty, on the other hand, as a consequence of laziness, pleasure seeking, and frivolity, and as a punishment for godlessness. However, the more the structure of the „people Israel“ emerges and not only personal life, but also social and economic relations acquire importance, the more closely are the social consequences of action considered and placed in a salvation-historical context. Whereas, on the one hand, every kind of oppression and exploitation of the socially weak is condemned, the rich and the propertied are exhorted to share with the needy. The prohibition against usury has its origin here also: „If you lend money to one of your poor neighbors among my people, you shall not act like an extortioner toward him by demanding interest from him“ (Ex 22:24; Lv 25:36f). With this critical attitude towards the usurer, oppression, and hardhearted egoism there is sometimes connected the virtual equation of „rich“ and „godless“ and of „poor“ and „pious“.

What is decisive for the preaching and acting of Jesus is that he does not abrogate but fulfils the 'law', of the Old Covenant and that he does not pursue any inner worldly political goals, but brings the 'Kingdom of God', to men. „Seek first his kingship over you, his way of holiness, and all these things will be given you besides“ (Mt 6:33; Lk 12:31). This central concern of Jesus relativists not only the attitude to the goods of this world, but also to this-worldly reality as such. For Jesus, the decisive question runs: What hinders and what helps man in seeking the Kingdom of God?

What is the answer to this question in the New Testament? In the Sermon on the Mount, Jesus blessed the poor and the hungry and promised them satisfaction (Lk 6:20f), and he invites the rich young man who wished to be „perfect“ and had fulfilled all the commandments to sell all his possessions and to follow after him (Mk 10:17ff). Poverty is not a value in itself, but it renders it easier for man to work out his salvation. The value in the lack of possessions demanded by Jesus does not lie in renunciation as such, especially since everyone must eke out a living, but in the freedom won thereby and in the undivided devotion to working for the Kingdom of God. It is otherwise with riches: „It is easier for a camel to pass through a needle's eye than for a rich man to enter the Kingdom of God“ (Mt 19:24). Matthew reports that the disciples were „overwhelmed“ at this and doubted whether anyone could be saved, to which Jesus added: „For man it is impossible; but for God all things are possible.“ This reaction of the disciples shows two things: on the one hand, Jesus does not encroach upon the seventh commandment and thus not upon ownership either; on the other hand, he leaves no doubt that the rich man lives in constant danger of losing his heart to the goods of this world.

Jesus warns us unmistakably about the dangers of riches, especially where they become, so to speak, one's whole life: „No man can serve two masters. He will either hate one and love the other or be attentive to one and despise the other. You cannot give yourself to God and money“ (Mt 6:24). What matters to Jesus is freedom and decision for the Kingdom of God. An interpretation of the Good News that would make of Jesus someone involved in class struggle against the rich misses the essence of his mission and preaching. Nor does it take into consideration how unaffectedly Jesus deals with the rich of his time and wishes to win even them for the Kingdom of God. He did not shy away from accepting the support and hospitality of affluent people, and he called the tax-collector Matthew to be an apostle. Much more important than the question about „riches“ was the question whether the rich man acted justly and mercifully and shared his goods with the poor.

### **Chapter 3 : Communism of the Early Church?**

One has often tried to relate the uncompromising condemnation of egoism and avarice as well as the demands of justice and love of neighbor characteristic of the Gospel to the socialist objectives. The thought of a „primitive Christian communism“ occasionally surfaces again and again, as if everything had been common to everyone in the primitive Church. One appeals here to the well-known passage in the Acts of the Apostles where it says: „The community of believers were of one heart and one mind. None of them ever claimed anything as his own; rather, everything was held in common. With power the apostles bore witness to the resurrection of the Lord Jesus, and great respect was paid to them all; nor was there anyone needy among them, for all who owned property or houses sold them and donated the proceeds. They used to lay them at the feet of the apostles to be distributed to everyone according to his need“ (Acts 4:32-37; cf. 2:44).

#### **Ideological Appropriation**

This passage cannot be adduced in support of a communism in the strict sense because nothing is said about whether, for instance, the Christians in the community of Jerusalem tilled the

fields in common and cultivated them collectively. The text rather suggests that ...the believers shared what they had with all in accord with Jesus' demand on the rich young man. But can this passage be enlisted as proof for a „communism of love,“ namely, in the sense that all who became Christians renounced their wealth? This example shows that the attempt to appropriate individual sentences or sections of the Gospel for a certain view or ideology must fail. In the Acts of the Apostles, there are also other statements such as those that say that the Christians met in „private homes“ (2:46; 12:12). That unequivocally means that these homes were still owned and were obviously not sold or transferred to the property of the Jerusalem community.

In any case, the exemplary realization of love of neighbor where Christians contributed their wealth to a common fund and supported themselves there from is no argument for a communistic community of goods. On the one hand, nothing was taken from anyone who was not ready to give up his possessions voluntarily; on the other hand, an inner solidarity and unity, such as we otherwise find only in families and religious orders, but which is not transferable to the organizational structure of society, animated the community. The word „communism,“ which at least in present linguistic usage means a social system without private ownership of landed property and the means of production, is fully out of place here. Just as Christian love of neighbor does not render justice superfluous, so neither should Christian poverty in the imitation of Jesus or love of neighbor be played off against ownership and politically abused. There are different ways of realising human existence which accord with the Gospel, even if they are exposed to different hazards.

This understanding of the primitive Church is also confirmed by the praxis of the Hellenistic cities in which affluent families also were won to the faith in Jesus Christ. For that reason, Paul had to occupy himself with the question of how one as a Christian was to conduct oneself with respect to the „slaves“ (I Cor. 7:21). Of course, Paul also censures the unsocial conduct of the rich against the poor in Corinth (I Cor. 11:20ff). He called the first social welfare organization into being for the support of the community in Jerusalem, which presupposes that there were people who made donations from their wealth. The concern for the poor and the needy which spread rapidly in the early Church is surely a proof for the living love of neighbor, but at the same time it is an indication that there was ownership and that this was not suspect a priori. Nor do many statements of the Apostle James, who, after the manner of Jesus, appeals to the conscience of hardhearted rich men because they gather passing treasures, change anything in the main features of this (Jas. 5:3ff).

### **The Teaching of the Church Fathers**

It is not possible within the framework of these brief reflections on private ownership to enter more in detail into the teaching of the Apostolic Fathers and of the Greek and Latin Church Fathers.<sup>1</sup> What has crystallized itself in the Christian conception of and attitude to ownership is oriented by the statements of Holy Scripture and can be summarized thus:

(1) The dangers of riches and possessions are continually evoked, not because they are bad in themselves, but because they harden man's heart, foster avarice and egoism, erect a barrier to God, and can make a conversion difficult, if not altogether impossible.

(2) Riches are not seldom brought into connection with the exploitation and oppression of one's fellow man. In order to counteract this social evil, Clement of Alexandria, who wrote a short treatise entitled „What Rich Man can Attain Salvation?“, takes up the Old Testament demand and forbids charging interest to the poor and those in need of help. As soon as the Church had attained the power to shape society, it sought to gain acceptance even in the legal sphere for a prohibition of interest. One should not overlook here that in Antiquity and even in the Middle Ages the charging of interest almost always equalled usury. At that time, loaned

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<sup>1</sup> For citations and references to the Church Fathers, cf. Otto Schilling *Reichtum und Eigentum in der altkirchlichen Literatur* (Freiburg i. Br., 1908).

money was not used for investments, but, as a general rule, served the alleviation of an acute state of need.

(3) The commandment of the Christian love of neighbor was seen as the duty of sharing one's own goods with the needy and destitute in particular. Even in the first Christian communities, this task gained a special importance in that people („deacons“) were specially selected for charitable services and assistance for the poor was properly organized. The Church Fathers also insist that it is not enough not to appropriate another's goods illegally; one must also practice beneficence to those in need of help. From these foundations, the moral-theological teaching on the charitable duty of almsgiving was developed. With reference to the duty of benevolence, Leo XIII urged the teaching of the Church Fathers: „It is a duty, not of justice (except in extreme cases), but of Christian Charity - a duty which is not enforced by human law. But the laws and judgment of men must give place to the laws and judgment of Christ, the true God, who in many ways urges on His followers the practice of almsgiving - 'It is more blessed to give than to receive'; and who will count a kindness done or refused to the poor as done or refused to Himself - 'As long as you did it to one of My least brethren, you did it to Me.' ...Whoever has received from the Divine bounty a large share of blessings, whether they be external and corporal, or gifts of the mind, has received them for the purpose of using them for perfecting his own nature, and, at the same time, that he may employ them, as the minister of God's Providence, for the benefit of others. 'He that hath a talent,' says St. Gregory the Great, 'Yet him see that he hides not, he that hath abundance, let him arouse himself to mercy and generosity, he that hath art and skill, let him do his best to share the use and utility thereof with his neighbor'“ („Rerum novarum,“ Nr. 19).

(4) Renunciation of possessions and voluntary poverty in the imitation of Jesus are stressed with particular emphasis. In the monastic rule of St. Benedict's, it says: „Let everything be common to everyone..., and may no one call anything his own One should observe what is written: it was distributed to each according to his need Let whoever needs less thank God...let whoever has need of more humble himself because of his weakness. ...Thus may all members remain at peace.“ The stress on voluntariness shows that a transformation of the social structure in the sense of radical socialism was not up for debate. Nor does the consideration of not a few Church Fathers and theologians, who held it as a possibility that without the Fall in paradise a community of goods would have been realized, because egoism and avarice would then have been lacking, change anything in this fundamental position. With Ambrose and Gregory of Nazianzus, we meet with the notion that, according to the intention of the Creator, everything would have originally been in common. But man tasted the forbidden fruit, and division, accumulation of possessions, avarice, and envy of others have come about as a punishment for this covetousness. Incidentally, a quite similar thought is found in the Roman author, Seneca: „It was the avarice of men that made regulation of the use of earthly goods necessary“ (Ep. 38).

This mode of consideration, which thus deemed the system of private ownership to be necessary after the Fall, was thoroughly „salvation-historical“, it began with sinful man in need of redemption, but hardly reflected on the question, which was strongly developed later, of the relation between nature and grace and between the order of nature and the order of redemption. For that reason, it would also be wrong to advance the statements of the Church Fathers, for instance, as evidence against a natural law foundation of private ownership or to wish to explain ownership in a derogatory way simply as an „order of necessity,“ because, as a rule, we associate something entirely different with this concept than what the Church Fathers did.

## **Chapter 4:**

### **The Point of Departure for Christian Thought: The Destination of Earthly Goods for All Men**

Even if Holy Scripture and the Church Fathers offer no systematic teaching on property and, as mentioned, begin not so much with the institution of private ownership, but with its abuse and with egoism, with avarice and with the sin of usury, the starting point for Christian thought nevertheless emerges clearly. It is not man's right to property nor the system of ownership, but the principle of the destination of earthly goods for all men.

#### **The Original Right of Use**

The Second Vatican Council urged this principle emphatically: „God intended the earth and all that it contains for the use of every human being and people. Thus, as all men follow justice and unite in charity, created goods should abound for them on a reasonable basis. Whatever the forms of ownership may be, as adapted to the legitimate institutions of people according to diverse and changeable circumstances, attention must always be paid to the universal purpose for which created goods are meant. In using them, therefore, a man should regard his lawful possessions not merely as his own but also as common property in the sense that they should accrue to the benefit of not only himself but of others.

„For the rest, the right to have a share of earthly goods sufficient for oneself and one's family belongs to everyone. The Fathers and Doctors of the Church held this view, teaching that men are obliged to come to the relief of the poor and to do so not merely out of their superfluous goods“ („Gaudium et spes,“ Nr. 69).

It was Pope Pius XII who in many addresses defended the right to property and the system of ownership against all socialist attacks and misinterpretations, but who at the same time recalled the ancient Christian principle: „Every man, as a living being gifted with reason, has in fact from nature the fundamental right to make use of the material goods of the earth, while it is left to the will of man and to the juridical statutes of nations to regulate in greater detail the actuation of this right. This individual right cannot in any way be suppressed, even by other clear and undisputed rights over material goods, undoubtedly, the natural order, deriving from God, demands also private property and the free reciprocal commerce of goods by interchange and gift, as well as the functioning of the State as a control over both these institutions. But all this remains subordinated to the natural scope of material goods and cannot emancipate itself from the first and fundamental right which concedes their use to all men; but it should rather serve to make possible the actuation of this right in conformity with its scope“ („The Fiftieth Anniversary of 'Rerum novarum,“ in Major Addresses of Pope Pius XII [St. Paul, 1961], 1:30-31).

The principle of the common destination of earthly goods corresponds to the insight that God himself or „nature“ has not given and assigned any goods to individual men as their own. Rather, according to the Christian conviction, God created the earth with all that it contains for all men and even for all generations so that all might live and satisfy their needs. For that reason, all men have an „original right of use“ of the goods of this earth, and no one may be excluded therefrom.

The Church Father, Basil the Great, to whom a miserly man had posed the question „What injustice do I do, if I save what is mine?“ refers in his answer to the fact that no man comes to the world with property. 'Whence do you have your present goods? If you say from chance, then you are godless...but if you acknowledge that they are from God, then tell us the reason you have received them. Is God perhaps unjust, who distributes material goods to us unequally? Why are you rich and that one poor? Truly, only because you are rewarded for your benevolence and faithful administration and that one was remembered with the great rewards of patience. But you take all into the folds of your insatiable avarice and believe that you do

no one an injustice when you rob so many.“ Cyprian, who was born in Carthage around the year 200, already declared: „Everything that is God's is given to us for common use, and no one is excluded from his benefits and gifts so that the whole human race may enjoy the divine goodness and generosity in the same way.“

### **The Distinction Between Use and Power of Disposal**

Thomas Aquinas, the great theologian of the Middle Ages formulated Christian thought on man's relation to the goods of this world anew and developed a teaching on ownership from which, as already mentioned, the popes since Leo XIII and bishops like Ketteler were able to go on. On the one hand, Thomas stood on the ground of the Christian tradition; on the other hand, he was familiar with the property relations of his time which had arisen under the influence of the Church, with the variously graduated rights and social duties of owners of landed property especially, and with the meaning that this economic order of society had for the development of culture. He also had access to the rediscovered writings of the Greek philosopher Aristotle, who had already defended the view that „property should in a certain sense be common, but, as a general rule, private. It is clearly better that property should be private, but the use of it common“ (politics II:5). In his main work, the *Summa theologiae* (II-II, q. 66, aa. I, 2), Thomas first establishes that, on the basis of his spiritual nature as a created image of God, man has the right to use things. But how is this to happen? In answering this question, he distinguishes between the use (usus), i.e., the employment or consumption of goods, and the management and administration of goods (potestas procurandi et dispensandi). With regard to the sphere of consumption and thus to „use,“ man should not „consider goods as his own, but as common, in that he easily shares them when others are in need.“ Thomas is speaking not simply of the usus communis, of the 'common employment,“ although many would like to impute this to him, but much more precisely of the „use“ of goods in such a way that what is „common“ is not left out of consideration. What does that mean? First of all, no one may employ or consume goods without consideration of the situation, the needs, and in particular the distressed state of his fellow man. Social duty is here concretized in that criteria for sharing are established. If someone possesses more than is necessary for his sustenance and conduct in keeping with his station, then the duty arises of giving to and helping the destitute from his superfluity. In medieval society, this principle of almsgiving defended by the Church had a great social importance. Only in this way could a no small part of the population, which had no work and thus no sufficient income, be provided for.

On the other hand, Thomas recognizes the necessity of the best possible management and administration of goods so that they may be available for use by man in the first place. For this sphere, it holds that man is first „entitled“ to acquire earthly goods as his property in order to manage and to administer them - a power which he would have possessed even in paradise. Second, after the Fall, this power became a „necessity“ and a „duty,“ because otherwise disinclination to work, disorder, and discord would frustrate the provision of man with goods. Thomas thus grounds ownership with the productive use of earthly goods without which the principle of common destination cannot be realized.

### **The Priority of the Common Destination**

The popes since Leo XIII have held fast to this teaching of Thomas in both directions. On the one hand, they have rejected a false identification of the principle of the common destination of earthly goods for all men with a „community of goods,“ a „system of common ownership,“ and „socialization“. They also had to clarify the position of the Church vis-a-vis those Christians who fought against the individualistic distortion of private ownership, but exaggerated in their zeal and wished to consider private ownership as a kind of necessary evil. Leo XIII already had to occupy himself with false conclusions:

„And to say that God has given the earth to the use and enjoyment of the universal human race is not to deny that there can be private property. For God has granted the earth to man-

kind in general; not in the sense that all without distinction can deal with it as they please, but rather that no part of it has been assigned to any one in particular, and that the limits of private possession have been left to be fixed by man's own industry and the laws of individual peoples“ („Rerum novarum,“ Nr. 7).

On the other hand, it must be made certain that the principle of common destination really remains the point of departure and the foundation of Christian thought. It must be made clear ever again that private ownership remains subordinate to this principle. In his encyclical „Laborem exercens“, Pope John Paul II refers to the teaching of the Church on ownership and states:

„The above principle, as it was then stated and as it is still taught by the Church, diverges radically from the program of collectivism as proclaimed by Marxism and put into practice in various countries in the decades following the time of Leo XIII's encyclical. At the same time it differs from the program of capitalism practiced by liberalism and by the political systems inspired by it. In the latter case, the difference consists in the way the right to ownership or property is understood. Christian tradition has never upheld this right as absolute and untouchable. On the contrary, it has always understood this right within the broader context of the right common to all to use the goods of the whole of creation: the right to private property is subordinated to the right to common use, to the fact that goods are meant for everyone“ (Nr. 14).

The use of goods should not take place in an individualistic or egotistical way; it must always remain under obligation to one's fellow man. What this entails in particular cannot be established once for all. It must be determined by the conditions and possibilities of the time. The resulting social obligations also differ according as it is a question of consumption or utility goods, landed property or means of production, which are again to be judged differently according as it is a question of simple tools or highly technicized machines and mechanical equipment. We shall still have to come back to this.

In addition to the moral duty of benevolence and almsgiving, to which we have already referred, we must also recall in this connection the principle developed by moral theology that in extreme need all is common (in extrema necessitate omnia sunt communia). This means that someone who falls into extreme need and can no longer allay his hunger may provide himself with what is necessary from his „neighbor,“ even without the latter's consent and permission. Such a situation can arise today when natural disasters and famines break out and the state or the community is not in a position to provide men with the most necessary items. In socially advanced states with a well-organized network of social services, however, where as a rule emergency situations of this kind no longer arise, one can no longer appeal to this ancient moral-theological principle.

## **Chapter 5 :**

### **The Productive Use of Earthly Goods**

The principle of the common destination of earthly goods for all men does not dispense us from answering the question of how this can really be attained. Let us recall Thomas Aquinas once again, who brings ownership into play for the sphere of the management and administration of goods, which he obviously holds to be endangered when they are effected on the basis of common ownership. Do property and the system of ownership find their justification in the consideration that the common destination of goods can be better secured in this way than through other orders?

This question refers to a complex of problems that, in the period of industrialization and of an ever richer provision of the population with goods and services, is no longer considered sufficiently, and is almost neglected. If nature were to deliver goods free house, so to speak, one

could then content oneself with justly distributing these goods to all men. If, however, the goods men need must first be produced, then irrespective of the principle of common destination the question becomes critical of under what presuppositions and conditions goods can be manufactured in sufficient quantity and quality or, expressed otherwise, under what circumstances men are ready to become productively active.

Leo XIII grounds property as a „demand of nature“ in this way: „For that which is required for the preservation of life and for life's wellbeing, is produced in great abundance by the earth, but not until man has brought it into cultivation and lavished upon it his care and skill. Now, when man thus spends the industry of his mind and the strength, of his body in procuring the fruits of nature, by that act he makes his own that portion of nature's field which he cultivates that portion on which he leaves, as it were, the impress of his own personality; and it cannot but be just that he should possess that portion as his own, and should have a right to keep it without molestation“ („Rerum novarum,“ Nr. 7).

At bottom, Pope John Paul II expresses the same thought in the encyclical „Laborem exercens“:

„When we read in the first chapter of the Bible that man is to subdue the earth, we know that these words refer to all the resources contained in the visible world and placed at man's disposal. However, these resources can serve man only through work. From the beginning there is also linked with work the question of ownership, for the only means that man has for causing the resources hidden in nature to serve himself and others is his work. And to be able through his work to make these resources bear fruit, man takes over ownership of small parts of the various riches of nature: those beneath the ground, those in the sea, on land, or in space. He takes all these things over by making them his workbench. He takes them over through work and for work“ (Nr. 12).

In a situation in which many men live in luxury and draw on unlimited resources, the underlying problem of work and production is easily mistaken. The impression can arise that the economy runs of itself and requires no special efforts to secure production and its further development. In such a situation, an increase of consumptive expenditures and a decrease of investitive ones can easily come about. All those involved in economic life want an ever higher income, but the readiness to save and to invest decreases. At the center of interest, there still stands the cutting of the economic cake, whereby each individual and each group wishes to enlarge its share as much as possible. In the long run, many jobs and thus the productivity of the economy will be first impaired and then endangered through such developments. Incidentally, for Karl Marx, who was thoroughly fascinated with the industrial division of labor and the productivity of the economy made possible thereby, the productive use of earthly goods in the communist society of the future was no longer a problem. For the latter presupposes the full development of productive forces so that all imaginable needs of man can be satisfied. He was of the opinion that the problem of scarcity, which forces us to economic activity would then no longer exist. Furthermore, he thought that men would comport themselves in a purely altruistic way, and thus without self-interest, and work exclusively for society, if only private property were definitively eliminated. This was a grandiose error, as has become manifest at least since the rapidly deteriorating economic situation in the socialist states. Not only did Marx take a false image of man as his point of departure, he also misjudged the conditions of production and productivity.

## **Chapter 6: The Social Functions of Ownership**

These considerations, which were already advanced in part in justification of the ownership system by Thomas Aquinas, are based on Christian anthropology and on the social functions which ownership has to fulfil.

## Work and Property

According to Thomas, a community of goods leads to indolence and disinclination to work since each one seeks to shift his work onto others (Summa theologiae, II-II, q. 66, a. 2). Leo XIII also makes this argument his own: „The sources of wealth would themselves run dry, for no one would have any interest in exerting his talents or his industry“ („Rerum novarum,“ Nr. 12).

As the fruit of work, property is at the same time the first motive and incentive to work. John Paul II, who confirms the teaching of the Church on ownership as contained in the encyclical „Rerum novarum,“ has underscored especially this close connection between work and ownership: „Furthermore, in the Church's teaching, ownership has never been understood in a way that could constitute grounds for social conflict in labour . As mentioned above, property is acquired first of all through work in order that it may serve work. This concerns in a special way ownership of the means of production. Isolating these means as a separate property in order to set it up in the form of 'capital' in opposition to 'labour' -and even to practice exploitation of labour -is contrary to the very nature of these means and their possession. They cannot be possessed against labour, they cannot even be possessed for possession's sake, because the only legitimate title to their possession -whether in the form of private ownership or in the form of public or collective ownership -is that they should serve labour , and thus, by serving labour, that they should make possible the achievement of the first principle of this order, namely, the universal destination of goods and the right to common use of them“ („Laborem exercens,“ Nr. 14).

For a society based on the extensive division of labour also, this demand arises from the coupling of work and property:

„The person who works desires not only due remuneration for his work; he also wishes that, within the production process, provision be made for him to be able to know that in his work even on something that is owned in common, he is working 'for himself“ (ibid., Nr. 15).

It is not to no purpose that even in the socialist societies the question of incentive to work has led to the reintroduction of criteria of remuneration related to performance. In the long run, the necessary discipline of work cannot be secured through indoctrination and force.

The connection between work and property is fundamental. For a long time no doubt could ever have arisen that it is not „wealth“ or „property“, money in a stocking or in a savings bank, that secures men's provision with economic goods for unforeseen cases, but work. It is the principal cause of the productive use of earthly goods. One cannot blame moral theology for having reflected on the rightfulness of the appropriation of „unclaimed goods“ in a period in which there was still „unclaimed land“. But in retrospect, one may not forget that, even in the agrarian culture of the time, work, especially as it was organized and effected in the extended families, was the decisive productive factor. And even in the industrialized society based on the extensive division of labour, stock portfolios and monetary accounts are not a guarantee of provision and security as work still is, which, however, must be seen precisely in connection with ownership, with the fruit of work, with „previously expended“ work, and thus with the machines in one's possession.

How important the question of the relation of work and property is, is shown not least by the situation of many developing countries. One cannot combat the horrible poverty in these countries simply through distribution, which, at best, would equal a drop in the bucket. Everything depends on whether these countries succeed in boosting their economies, especially agriculture, and in shaping them in such a way that they can provide in some measure for their own populations. Unfortunately, even in Church circles, relief is expected too quickly from mere distributional measures instead of bringing the question of increased production and even of higher productivity in general into view. Leading representatives of liberation theology like

Gustavo Gutierrez or Leonardo Boff have not recognized these connections<sup>2</sup>. They incline to seeing the problem of Latin-American countries as a distributional problem at heart that can only be solved by taking away the „rich“ their abundance of goods and giving them to the „poor“. Certainly, in many developing countries, the question of distribution is a burning one. Equally important and even more urgent is the question of how the economy can be developed and production and productivity can be increased in all spheres in these lands<sup>3</sup>.

### **Dealing Responsibly With Goods**

It is an old experience that men as a rule deal more carefully with the goods that belong to them than with those that are commonly owned. In societies in which personal ownership is suppressed in favour of collective ownership, the problem of „wastefulness“ is particularly urgent. In communist countries, state-appointed business managers and workers do not deal particularly carefully with raw materials. Vehicles and machines do not receive the necessary maintenance and care. Where there is no personal ownership of the means of production, no positive relation of working men to producer goods can be developed. Responsibility for the economical employment of raw materials and for the preservation of machinery is lacking. To change this is, among other things, the goal that the Russian General Secretary Gorbachev has set for himself. And even in countries with an ownership system, examinations of the state and federal auditing offices point again and again to wasteful use of public resources.

In contrast to this, the owner generally strives to employ his resources economically and to provide responsibly for the future. In any case, if he acts contrary to these requirements, he must bear the consequences himself and cannot impose them on others. Providing for the future means that one is not forced to live straight „from hand to mouth,“ but can, in a case of need, have recourse to securities. Under the present conditions, providing for the future also means a highly differentiated economy that is in the position to provide for men even if scare supply situations should arise through the influence of the weather or other factors. But providing for the future also means that one does not simply consume what is available. This is the case today, for example, when consumptive expenditures are accelerated without consideration of invested capital, when the present generation wishes to live at the expense of the future one. Neither the individual, nor the family, nor a state may speculate in „indebtedness.”

Providing for the future in a way conscious of one's responsibility plays a big role in the Christian teaching on ownership. It is brought into a special connection with the family.

„For it is a most sacred law of nature that a father must provide food and all necessaries for those whom he has begotten; and, similarly, nature dictates that a man's children, who carry on, as it were, and continue his own personality, should be provided by him with all that is needful to enable them honourably to keep themselves from want and misery in the uncertainties of this mortal life“ („Rerum novarum,“ Nr. 10).

Pius XII also sees in private property the „foundation of family stability“ („The Church and Labor,“ Catholic Mind 41 1943:4).

It is no coincidence if John Paul II likewise demands remuneration that is just to the family:

„ Just remuneration for the work of an adult who is responsible for a family means remuneration which will suffice for establishing and properly maintaining a family and for providing security for its future“ („Laborem exercens,“ Nr. 19).

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<sup>2</sup> Gustavo Gutierrez, *Theologie der Befreiung* (Munich-Mainz, 1973), pp. 29, 261f; Leonardo Boff, *Aus dem Tal der Tränen ins Gelobte Land. Der Weg der Kirche mit den Unterdrückten* (Düsseldorf, 1982).

<sup>3</sup> A. Rauscher, "Lateinamerika braucht die Katholische Soziallehre", in Ros/Velez Correa, eds., *Befreiende Evangelisierung und Katholische Soziallehre* (Munich-Mainz, 1987), pp. IOI-II6.

## **The Order of Competencies**

Ownership serves the clear delimitation of competencies and spheres of responsibility in the economy. It truly forms the foundation for the application of the so-called „causality principle,“ which is receiving notice in the discussion about the preservation of the natural environment. Whoever makes an economically relevant decision must also assure liability with his own property and wealth for the resulting consequences. In this respect, the ownership system counteracts temptations to implement questionable and risky projects and to place considerations of prestige above sober prospects of success.

The order of competencies, to which Thomas in dependence on Aristotle had already referred, avoids conflicts and discord. In a collective economy, where everyone decides about everything, but no one is held personally responsible for the consequences, disputes easily arise because men dispose of different gifts and abilities, because they do not muster the same measure of industry and willingness to perform, and because they therefore also become dissatisfied when all have a say in the same way and share indiscriminately in the returns. As for the rest, it is shown ever again that the employees are themselves interested in a clear delimitation of competencies in their businesses. They have an instinctive aversion to arrangements in which the necessary specialized competence is not coupled with personal responsibility for answering for faulty decisions and for bearing the economic consequences even with one's own wealth.

## **The Foundations of Bartering and Gift-Giving**

An economic order of society that builds on ownership renders possible a continual exchange of goods and services, whereas a centrally administered economy, as even the name implies, neglects the processes of barter and exchange and rests instead on a governmental administration and allocation of goods produced and services. The bartering process is not something mechanical or technical, for which reason the market, the place where this event takes place, may surely not be seen as a place of a mere transference of goods in which supply and demand balance out. The men who encounter one another at the market and enter into relation with one another in the barter and exchange of goods are the decisive factor. But this is only possible where they can freely dispose of these goods and services and where governmental directives, planning, and steering do not divest market transactions of their social task of bringing men together.

Of course, like everything else in the world, barter can also be abused by exploiting the ignorance or weakness of one's partner or by even seeking to deceive him. But this is no argument against bartering, the market, or ownership. From this there results only the necessity of a continual ordering of these transactions by the state, but not a fundamental questioning of them. Christian social thought recognized early the importance of bartering and the exchange of goods. Theodore of Cyrus had already pointed out that God has distributed riches and natural resources unequally among the peoples in order to tie a band of love around the men of foreign countries and races through the exchange of goods. That even the medieval economy valued bartering and the market is pointed to, not only by the numerous place -names in which the German word Market appears, but also by the commemoration of the many local Church feasts which, as a rule, were connected with the market. The communist countries offer the best example of how much bartering and the market degenerate when ownership no longer exercises a social function. State retail stores for goods are a poor venture.

„The giving of gifts“ also presupposes ownership. „Where would the possibility of sharing with others remain, if no one any longer possessed anything of his own? How can one ask and receive and borrow, if there is no one who has and gives and borrows?“ (Clement of Alexandria). As important as state welfare institutions are among us, they cannot and should not render the personal willingness to help others and to do good superfluous.

## **Chapter 7: The Right to Property**

Ownership is in a position to fulfil indispensable tasks of the social order and to ensure the realization of the common destination of earthly goods for all men. But is this reflection on the social function of ownership really sufficient for its justification? In our highly ethicised and organized society there are, in addition to the ideological opponents of property, those voices who raise doubts about whether ownership still performs these functions today at all. They especially see the ownership system as worthy of preservation only as long as it is not possible to create other institutions that can guarantee the functions hitherto exercised by ownership either equally well or perhaps even better and with less danger of abuse.

### **Bestowed on Man by the Creator**

The question is whether ownership represents, at least preliminarily, only an indispensable element of a functioning society, or whether it is ultimately a right to freedom of man which is originally given with the dignity of the person himself. One must here consider that the idea of human rights did indeed grow on the soil of the Christian understanding of man, but was nevertheless taken up by the Church's social preaching only relatively late. Thomas Aquinas adduced social utility as a reason for the justification of the system of ownership; the question of whether ownership could also have something to do with the dignity of man did not even occur to him. It is necessary to consider here that, not only in the case of ownership, but also in relation to other human or personal rights, medieval thought lacked the line of sight that characterizes the modern history of freedom. The reflection on the „person“ as „the most perfect in the whole of nature“ (Summa theologiae I, q. 29, a. 3) did indeed reach a high point, without on that account personal rights having been developed as such. The reason for this lay, on the one hand, in a hierarchical way of thinking that went from above downwards, considering the world, the state, society, and the family in relation to God, and on the other hand, in the relatively undisputed condition of the sphere of personal freedom in society and the state insofar as it was indeed limited through various social obligations, but was not at heart exposed to a totalitarian threat. The struggle in the nineteenth and twentieth centuries against the tutelage of man through the absolutist state and especially through the totalitarian ideologies and power systems first helped to propagate human rights in Europe.

The reflection on the person and the emphasis on the right to property begins with the encyclical „Rerum novarum“:

„For every man has by nature the right to possess property as his own“ (Nr. 5).

Forty years later, Pope Pius XI confirmed the position of Leo and of the theologians working under the direction of the Church's Magisterium: “Their unanimous contention has always been that 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“ („Quadragesimo anno,“ Nr. 45).

### **Anchored in the Personal Dignity of Man**

Pius XII, during whose pontificate the disastrous threat and destruction of man by the totalitarian power systems of communism and of national socialism and fascism made their strongest appearance in Europe, developed the personal core of the Christian social idea in a quite particular way. His teaching on ownership must also be seen in this connection:

„The native right to the use of material goods, intimately linked as it is to the dignity and other rights of the human person, together with the statutes mentioned above, provides man with a secure material basis of the highest import, on which to rise to the fulfillment, with reasonable liberty, of his moral duties. The safe guardianship of this right will ensure the personal dignity of man, and will facilitate for him the attention to and fulfillment of that sum of

stable duties and decisions for which he is directly responsible to his Creator“ („The Fiftieth Anniversary of 'Rerum novarum,“ in Major Addresses, I:31).

For Pius XII, a use of earthly goods that would take place in an other than a personal way would not be worthy of man. For to personal being there belong freedom and self-determination, which also extend to the sphere of use of material goods and, in this respect, represent the absolutely essential presupposition of the development of the moral personality in the entire breadth and depth of the realization of a humane existence. Mere use would suffice for the sustenance of biological life; but man, who is not only a biological organism, requires legal disposal of the goods in his possession. Private ownership bestows on him that economic independence and freedom which also render possible for him the assertion of other personal rights in freedom and responsibility.

The recognition of private property „stands and falls with the recognition of the personal dignity of man, with the recognition of the inalienable rights and duties which inseparably inhere in the free personality and which it has received from God. Only he who denies to man the dignity of the free personality can admit the possibility that the right to private ownership (and consequently private ownership itself too) can be dissolved by any system of legal assurances or guarantees of public right“ (Pius XII, Address of May 20, 1948).

„The right of the individual and of the family to own property, which stems immediately from the human person. ...is a right of personal dignity; a right, to be sure, accompanied by social obligations; a right, however, not merely a social function“ (Pius XII, „To Austrian Catholics,“ Catholic Mind 51 1953:51).

With ownership, it is a question not only of things or of an accumulation of goods, but of a right, of the moral power of disposal, and of the duty and responsibility of the human person in his dealings with and use of external goods indissolubly given with this right. This mode of consideration does not begin with the question of whether a society based on economic freedom renders possible with the ownership system a higher productivity and thus also a better provision for the population than a socialist one without ownership of the means of production. The argument from efficiency is entirely useful within limits because centrally managed economies do in fact fail. The problems in socialist countries, which are mounting appreciably, cannot be overlooked. Nevertheless, such a line of argumentation could not be ultimately convincing because it refers to the function of utility.

### **The Connection between Economic, Cultural, and Political Freedom**

On the other hand, the relation to personal dignity and to human rights allows the importance of property for the whole of culture to emerge, which far transcends the ordering of man in the sphere of the use of material goods. Pope John XXIII raises the question of „whether, under present circumstances, a principle of economic and social life, firmly enunciated and defended by our predecessors, has lost its force or is to be regarded as of lesser moment: namely, the principle whereby it is established that men have from nature a right of privately owning goods, including those of a productive kind“. To this he gives the answer: „Such a doubt has no foundation. For the right of private property, including that pertaining to goods devoted to productive enterprises, is permanently valid. Indeed, the right of private individuals to act freely in economic affairs is recognized in vain, unless they are at the same time given an opportunity of freely selecting and using things necessary for the exercise of this right. Moreover, experience and history testify that where political regimes do not allow to private individuals the possession also of productive goods, the exercise of human liberty is violated or completely destroyed in matters of primary importance. Thus it becomes clear that in the right of property, the exercise of liberty finds both a safeguard and a stimulus“ („Mater et Magistra,“ Nrs. 108 and 109).

The Second Vatican Council also has the reciprocal relation between economic freedom and spiritual-political-cultural freedom in view: „Private ownership or some other kind of domin-

ion over material goods provides everyone with a wholly necessary area of independence, and should be regarded as an extension of human freedom. Finally, since it adds incentives for carrying on one's function and duty, it constitutes a kind of prerequisite for civil liberties“ („Gaudium et spes,“ Nr. 71).

Let us still say a word on how the concepts „property“ and „wealth“ are employed in Catholic social teaching. By „property“ is understood the moral power of a (physical or juridical) person to dispose of the goods to which he has a right of ownership. The concept „wealth,“ on the other hand, is related to goods in the possession of a person. With these goods, it is a question not only of things (consumption goods, utility goods, landed property, producer goods), but also of other values (e.g., legal claims, be they related to assets or also to claims to insurance companies). Today both concepts are employed in Church documents and also in treatises of Christian social science without reference to this distinction.

## **Chapter 8: The Social Obligation of all Property**

If use of earthly goods is ensured by all, reflection on the personal right to property conferred on man by the Creator does not stand in contradiction to the principle of common destination. Nor is it the case that the right to private property is given to each one as an individual and the social duties of property are imposed on ownership only subsequently by society and the state. In this respect, the expression „the social mortgage“ lying on ownership, which is sometimes to be found even in Church documents, is misleading. In reality, all goods in one's possession entail originally, and from within, a social ordination and obligation because the human person is himself „origin, bearer, and goal of social life“ and because it is through and with the person that the moral duty to one's fellow man and to society can be grounded at all.

### **The Double Function of Ownership**

In the encyclical „Quadragesimo anno,“ Pius XI objects to the misinterpretation of the teaching of Leo XIII and the theologians, as if they had „...ever denied or called in question the twofold aspect of ownership, which is individual or social accordingly as it regards individuals or concerns the common good There is, therefore, a double danger to be avoided. On the one hand, if the social and public aspect of ownership be denied or minimized, the logical 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““ (Nr. 45f .) On both sides, then, it is necessary to avoid an aberration. As unmistakably as the Church has rejected the socialist goal of the abolition of property as incompatible with the dignity of man and with a just social order, it has just as much left no doubt that an ownership system without social obligation is a violation against man and his social duty. Here are two further statements in this regard: ,

„The Christian conscience cannot admit as just a social order which either denies in principle or renders impossible or nugatory in practice, the natural right to property whether over consumptive goods or the means of production“ (Pius XII, „The Fifth Year of the War,“ Catholic Mind 42 1944:580).

„...private property does not constitute for anyone an absolute and unconditioned right....an absolute right that has no limits and carries no corresponding social obligation“ (Paul VI, „Populorum progressio,“ Nrs. 23 and 26).

The social obligation and duty is so serious that it may not be neglected for the sake of a still greater productivity. For as a rule, an accelerated economic growth takes place at the expense of the small man. Again and again the question is posed: How many sacrifices may be imposed on today's working generation so that the future generations may (allegedly) have it better? For the productive use of earthly goods, Pius XII already drew attention to the necessary limits, which also include ecological points of view:

„There are nations, of course, who can boast today of a productive capacity which, they point out, is constantly increasing from year to year. But if this productivity is attained as a result of unbridled competition and of an unprincipled expenditure of wealth, or by oppression and despotic exploitation of labour and the needs of individuals on the part of the State, it cannot be sound and natural, because social economy is an organizing of workers, and every worker is endowed with human dignity and freedom. The immoderate exploitation of genuine human values usually keeps step with that of nature's treasures, especially of the land, and leads sooner or later to decadence“ („The Approaching Holy Year,“ Catholic Mind 46 1948:485-486).

### ***a) Ownership of Landed Property***

The social obligation of ownership differs, of course, according to what goods in one's possession are in question. With regard to the entire sphere of consumption goods, the charitable duty of helping and sharing with the needy and the poor, which has been urged since ancient times, still holds: „For social responsibility in this matter derives its force from the very right of private property. Furthermore, it is quite clear that there always will be a wide range of difficult situations, as well as hidden and grave needs, which the manifold providence of the State leaves untouched, and of which it can in no way take account. Wherefore, there is always wide scope for humane action by private citizens and for Christian charity“ (John XXIII, „Mater et Magistra,“ Nr. 120).

Another kind of goods is in question in the case of landed property. This good, which cannot be multiplied or „produced,“ has at all times and among all peoples been subject to special social obligations. Leo XIII emphasizes: „...the earth, though divided among private owners, ceases not thereby to minister to the needs of all; for there is no one who does not live on what the land brings forth“ „Rerum novarum,“ Nr. 7).

What consequences follow from this consideration? All who hold land as their own must be aware of the heavy responsibility of using it as well as possible so that all men can be provided with the necessary foodstuffs and this holds first of all on the national scale, but also for the relation of the developed to the underdeveloped countries. Landowners cannot appeal to their right to property and allow valuable land to lie fallow, perhaps for speculation purposes, or cultivate it only extensively as pasturage when an intensive use would produce a much higher yield, but would also, of course, be connected with corresponding costs. The social obligation connected with land can in such crass cases force an agrarian reform. But neither can the farmers content themselves with antiquated methods of tillage because the land and its fruits must serve not only them, but all men. The social obligation demands of them that they recognize and exhaust the possibilities of productive use in order to combat hunger effectively in their countries or in the world. In „Mater et Magistra,“ John XXIII speaks of countries „wherein, despite their great resource potential, farmers use such primitive and obsolete methods of cultivation that they are unable to produce what is needed for the entire population“ (Nr. 154).

From the social obligation connected with landed property there also arises the moral justification for seeing to it that houses and buildings, housing developments, cities, and traffic routes are designed and built in a way serving the common good. What must be seen in any given place as serving the common good and what should be implemented through corresponding authorization and ordinances cannot be established in general terms. It is, of course, not to be excluded that, by appealing to the common good and to common utility, prescriptions and ordinances be issued that effect precisely the opposite and do not, for example, facilitate the construction of more favourably priced residences, but frustrate construction and lead to a shortage of living space.

## ***b) Ownership of the Means of Production***

Social duties connected with the ownership of the means of production are again different than in the case of landed property. These have no purpose of their own, but are expedients to make man's work more fruitful and thus to raise the productivity of his work and to secure the best possible provision for the population. In the industrial society based on the division of labor, all who dispose of a corresponding income are bound to save in order to render new investments possible thereby. In this way, they are also useful to „others,“ because new jobs and opportunities for earning are created. „...the investment of superfluous income in developing favourable opportunities for employment...is to be considered...an act of real liberality particularly appropriate to the needs of our time“ (Pius XI, „Quadragesimo anno,“ Nr. 51).

„The goods of the earth are not destined by God to be preserved unused and unproductive, nor that the few should unlimitedly and exclusively grow rich by them, but that the necessities of life of all should be met by them“ (Pius XII, „To William v. S. Tubman, President of Liberia,“ September 23, 1956). Furthermore, the employment of the means of production is also subject to social obligations. By these are to be understood, on the one hand, all the ordinances that may be enacted by a community for the establishment or expansion of businesses as well as those that the legislator enacts for the protection of the environment. On the other hand, all those legal regulations are to be named here that bind the owner of the means of production and the entrepreneur as soon as he does not work with them personally, but acquires and employs co-workers. The entire labour and wage law, which, for example, has been very greatly expanded in the Federal Republic of Germany, limits the sphere in which the owner can freely dispose of the means of production. However indispensable this regulation in the interest of the employee may be, a limit must also be observed here, of course, so that the one who has entrepreneurial abilities will not be deterred through too many restrictions („bureaucracy“), investments decline more and more in the end, and the provision of the population be endangered in the long run.

## **Chapter 9: The Socially Just Distribution of Property**

The social duty connected with property demands its just distribution in a particular way. For it forms a measure of whether a system of ownership is in a position to realize the goal of the common destination of earthly goods and the personal right of use of all. Concretely, this means that all strata of the people have the possibility of acquiring and forming property within the framework of the given economic production and returns. However much the Church may defend the right to ownership, it just as much „is opposed to the accumulation of these goods in the hands of a relatively small and exceedingly rich group, while vast masses of people are condemned to a pauperism and an economic condition unworthy of human beings“ (Pius XII, „Now is the Time for Action,“ Catholic Mind 45 1947:644).

If property was able to become a stumbling block for socialism, it was precisely because the industrial society based on the division of labour was incapable under the influence of false liberal economic objectives of distributing wealth justly, although as opposed to agrarian society it produced an ever greater abundance of goods. The place value that the just distribution of goods possesses for Christian social thought becomes clear from another statement of Pius XII:

One must see „that the economic riches of a people do not properly consist of the abundance of goods, measured according to a purely and solely material calculation of their worth, but in the fact that such an abundance represents and offers really and effectively the material basis sufficient for the proper personal development of its members. If such a just distribution of goods were not secured, or were effected only imperfectly, the real scope of national economy would not be attained; for, although there were at hand a lucky abundance of goods to dispose of, the people, in not being called upon to share them, would not be economically rich, but

poor. Suppose on the other hand, that such distribution is effective genuinely and permanently and you will see a people even if it disposes of less goods, making itself economically sound“ („The Fiftieth Anniversary of 'Rerum novarum,“ in Major Addresses, 1:32).

By this, the Pope certainly does not wish to diminish the necessity of a possible productive use of earthly goods, but he gives equal weight to distributive justice and to the production of goods.

### **Deproletarianization and the Formation of Wealth**

The question of just distribution extends itself to all goods and not only to consumption goods. In business, one can still find the notion even today that dependent employees should be satisfied in our country when they share in the abundance of (consumption) goods produced, whereas the means of production best remain in the hands of those who dispose of the necessary „know-how“. And unfortunately, even the strategy of the German labor unions, apart from a few exceptions, is not determined by the formation of wealth and property among the employees.

In opposition to this, from the very beginning, Catholic social teaching has left no doubt that the better distribution of goods and the broader dissemination of ownership are “the two most urgent demands in the social program of the Church“ (Pius XII, Radio Message of April 11, 1951).

In the encyclical „Quadragesimo anno“, the thought of Leo XIII in „Rerum novarum“, that even the worker must have access to the formation of wealth through his wages (Nr. 4) is further specified, and the overcoming of the proletarian status through the formation of wealth is demanded.

„Every effort, therefore, must be made that at least in the future only a fair share of the fruits of production be permitted to accumulate in the hands of the wealthy, and that an ample sufficiency be supplied to the workingmen. The purpose is not that these become slack at their work, for man is born to labour as the bird to fly, but that by thrift they may increase their possessions and by the prudent management of the same may be enabled to bear the family burden with greater ease and security, being freed from that hand-to-mouth uncertainty which is the lot of the proletarian. Thus they will not only be in a position to support life's changing fortunes, but will also have the reassuring confidence that when their lives are ended, some little provision will remain for those whom they leave behind them“ (Nr. 61).

A just distribution of goods and a broad dissemination of property would be the best way effectively to counter the seductive arts of socialism. This holds both for the rich industrial nations as well as, on an essentially lower level, for the developing countries. The ownership system will be all the more undisputed and able to fulfil its ordering task in society, the more all strata of the people have a share in property; the greater the number of owners and the broader the dissemination of ownership, the more noticeable resistance will be aroused against political endeavours hostile to ownership.

### **The Broad Dissemination of Monetary Wealth**

„It is especially appropriate that today, more than heretofore, widespread private ownership should prevail, since, as noted above, the number of nations increases wherein the economic systems experience daily growth. Therefore, by prudent use of various devices already proven effective, it will not be difficult for the body politic to modify economic and social life so that the way is made easier for widespread private possession of such things as durable goods, homes, gardens, tools requisite for artisan enterprises and family-type farms, investments in enterprises of medium or large size. All of this has occurred satisfactorily in some nations with developed social and economic systems“ (John XXIII, „Mater et Magistra“, Nr. 115).

Without a doubt, the Federal Republic of Germany belongs to these developed countries. More so than in other industrialized countries of Europe, numerous initiatives with the goal of

promoting the formation of wealth and property among workers were taken here after the Second World War under the leadership of people who felt committed to the Christian social program. It should not be overlooked here, however, that this wealthformation policy would not have succeeded without enormously increased wages.

The promotion of savings was blessed with spectacular success. The 936-DM law in particular, which was gradually incorporated into many collective wage agreements, contributed in two areas to a broad dissemination of wealth and property among workers. By saving through a „building and loan association“, not few employees in rural and small-town areas, in addition to clerks and civil servants, attained homes of their own or owner occupied apartments. Furthermore, this law has essentially favoured savings and the formation of monetary wealth in savings accounts and insurance policies.

### **Deficient Participation in Industrial Productive Wealth**

Great importance attaches to the formation of monetary wealth among broad strata of the population in an economy that operates predominantly with foreign capital and thus with money lent by banks. It was pointed out quite early, however, that the formation of monetary wealth alone cannot suffice, that the participation of employees in real capital and productive wealth must also be sought. In an economy in which more and more is invested and the invested capital per job has risen enormously, and still continues to grow, the assets newly acquired each year in the productive sphere would accumulate only among the prior owners. This would have to aggravate the reproach of a one-sided distribution of wealth and property and generate social unrest. Only if it is possible to interest ever wider circles of employees and to give them a share in the productive capital of the national economy will they also bear the existing free economic order with private ownership. That means that employees must have not only monetary wealth in banks and savings associations, but above all that they must also acquire stocks and similar assets. This is a long-standing concern of prime importance for Catholic social teaching. In order that man can have an inner relation, not only to his work, but also to the means of production and thus to „capital“: „the many proposals put forward by experts in Catholic social teaching and by the highest Magisterium of the Church take on special significance: proposals for joint ownership of the means of work, sharing by the workers in the management and/or profits of business, so-called shareholding by labour, etc. Whether these various proposals can or cannot be applied concretely, it is clear that recognition of the proper position of labour and the worker in the production process demands various adaptations in the sphere of the right to ownership of the means of production“ (John Paul II, „Laborem exercens“, Nr. 14, 5).

In the United States, the dissemination of productive wealth is considerably greater than in European countries. Not only entrepreneurs and self-employed persons, but also clerks and skilled workers own stocks and pursue the development of the enterprises in which they have a share in this way. In Europe, there have been successful efforts in recent years, especially in England and France, to privatise enterprises previously in the possession of the state. And strata of the population that previously had no share in productive capital have acquired stocks.

A whole series of large-scale and especially middle-scale enterprises have also proceeded to offer their co-workers stocks at a preferential price each year and thus to gain them as partners also.

Whether the participation of broader strata of the population in industrial productive wealth will progress in the coming years depends, of course, not only on the employers and employees, and here the labour unions especially would have to overcome their reservation and scepticism, but also on other conditions. One cannot in good conscience recommend to employees the acquisition of stocks and similar certificates as long as the net yield of such stocks is so much lower than the interest yield of risk free treasury bills. It would be foolish if one were to

place money in investments that are encumbered with fully economic risk and still yield only half as much as, for example, „public bonds“. One cannot deplore the unjust distribution of wealth in the case of industrial productive capital and at the same time do nothing to eliminate hindrances to the widening of the circle of owners.

The participation of employees in productive capital, which is desirable not least because of the power-distributing effect of the broad dissemination of wealth and property, presupposes, of course, that the labour unions change their attitude to owners and partners, who would then also be to a greater extent precisely the employees themselves, and no longer regard them as „capitalists“.

## **Chapter 10: The Ordering Task of the State**

According to Catholic social teaching, a task falls to the state in the sphere of the use of material goods that no other institution can assume. On the one hand, it must take care through its legal system that its citizens' right to ownership is secured and neither directly nor indirectly endangered. In the Federal Republic of Germany, the protection of ownership is constitutionally guaranteed, irrespective of ownership of consumption goods, landed property, or means of production, and irrespective also of whether it is a question of ownership on a „small scale“ or a „large scale“. Basic Law states in art. 14, para. 1: „Ownership and the right of inheritance will be guaranteed. Content and limitations will be determined by the laws.“

On the other hand, however, the state bears equal responsibility for seeing that the social obligation of all ownership and the social duty of every owner not only exist on paper, but really be made good, and that the distribution of wealth and property also take place in a socially just way. This flip side of the coin is likewise anchored in Basic Law where it says in art. 14, para. 2: „Ownership entails obligation. Its employment should at the same time serve the well-being of the general public.“

In the encyclical „Quadragesimo anno“, Pius XI presents the powers of the state with respect to this bilateral aspect of ownership:

„To define in detail these duties, when the need occurs and when the natural law does not do so, is the function of the government. Provided that the natural and divine law be observed, the public authority, in view of the common good, may specify more accurately what is licit and what is illicit for property owners in the use of their possessions. It is plain, however, that the State may not discharge this duty in an arbitrary manner. Man's natural right of possessing and transmitting property by inheritance must be kept intact and cannot be taken away by the State from man. 'For man is older than the State.' Moreover, 'the domestic household is antecedent logically as well as in fact, to the civil community.' Leo XIII had already declared it unlawful for the State to exhaust the means of individuals by crushing taxes and tributes“ (Nr. 49).

### **The Permanent Right to Ownership and the Variable Property Relations**

Till today one can read again and again in newspapers, but also meet the view in scholarly treatises, that, in defending the right to ownership, the Church advocates the existing property relations, and thus also the privileges of the propertied classes and the rich. Such an assertion not only overlooks the fact that the Christian teaching has its foundations in the common destination of earthly goods and therefore also demands the social obligation of all ownership and of the ownership system, but it also fully mistakes the fundamental distinction between the right to ownership to which man is entitled as a person, and which is not first conferred upon him by the state, and the property relations existing at any given time, which are also the result of very diverse causes and influencing factors, for whose direction according to the demands of social justice the state ultimately bears the responsibility. There cannot, then, be any

serious talk of an acceptance and blessing of the existing property relations if they are socially unjust. The Church cannot, of course, approve of practices that directly or indirectly would make the right to ownership illusory. She must thus oppose the erroneous opinion often held precisely by moral rigorists, i.e., by those people who would like to punish by expropriation every abuse of the goods in one's possession or every offence against one's social duty.

„Hence it is false to contend that the right of ownership and its proper use are bounded by the same limits; and it is even less true that the very misuse or even the non-use of ownership destroys or forfeits the right itself“ (Pius XI, „Quadragesimo anno“, Nr. 47).

Through the abuse of ownership, such as is to be observed, for example, among playboys of the most various shades who live a riotous life without consideration of the neediness of their fellow-men, the right to ownership is not forfeited. Even residences that stand empty though a lack of suitable living space prevails may not be taken as an occasion to contest the owner's right or to abrogate it in fact. To opine that by appealing to social duty one could arbitrarily manipulate the right to ownership and ignore „juristic formalities“ would not only affect man in his personal dignity, but also surrender the social order itself to radical uncertainty.

But respect for the right of ownership does not mean that one could not do anything in the above-mentioned cases. Certainly, the state cannot force men always to make a morally good use of their property, just as the Church is only able urgently to recommend to men the charitable duty of helping and sharing. However, and this is what is important, the state, which is responsible for the common good, can and must exert an influence on the development of property relations. It is bound to make regulations that could move the owner of an unoccupied residence to rent this residence at a justifiable price and thus to lead it to its true destination.

In fact, the state does intervene in various ways through its laws and ordinances in the shaping of property relations. This is the case, whether it is a question of the extremely involved regulations in the building and land market, of the prescriptions for the preservation of the environment or for the access to recreation areas, of support measures for savings or the establishment of craftsmen's workshops, of measures relating to economic and structural policy, which always have an effect on wealth and property relations, or of the broad sphere of tax legislation where, in particular, the principle of economic productivity plays a role and thus also the social duty connected with income and wealth.

„The social and economic policy of the future, the controlling power of the State, of local bodies, of professional institutions cannot permanently secure their end, which is the genuine productivity of social life and the normal returns on national economy, except by respecting and safeguarding the vital function of private property in its personal and social values. When the distribution of property is an obstacle to this end -which is not necessarily nor always an outcome of the extension of private inheritance -the State may, in the public interest, intervene by regulating its use or even, if it cannot equitably meet the situation in any other way, by decreeing the expropriation of property, giving a suitable indemnity“ (Pius XII, „The Fifth Year of the War“, Catholic mind 1944:581-582).

The state will always have to consider the urgency of the tasks and the given circumstances. In not a few developing countries an agrarian reform is extremely necessary so that the land may be productively used and the population better provided for. If, however, well-intentioned agrarian reforms in Columbia, Peru, and Mexico have not brought about the hoped for success, then this is because redistribution of the land alone and the entry of the farmers hitherto dependent on the big landowners into the land register as new owners do not yet guarantee a productive use. This will only succeed if the farmers are also capable of independently managing their enterprises. The state should never lose these presuppositions from view.

## **„Redistribution“ in the Service of Social Justice?**

But is the impact of the state on the shaping of wealth and property relations not too little? And do such regulations not reach too slowly where states of emergency and manifest injustice are present? Are the revolutionaries, who do not hope for another order of relations in the future, but demand the redistribution of the existing proprietary relations here and now, not the better advocates of social justice here after all?

Catholic social teaching has always rejected redistribution as a key to the elimination of injustices. „Redistribution“ affects already formed property. But what is a piece of property still worth that can be taken away at any time! One cannot fight injustice by creating new evils. For that reason, all considerations are directed to the origin and formation of new wealth and property. The impression is sometimes given that in this way a few corrections could be introduced at best, but that the unjust distribution of wealth could not be changed. This is false. For in all developed industrial nations, the net investments falling due each year and the capital formation are very high. The impact on the further development of property relations is anything but a drop in the bucket. And such a policy is also in the position to transform in the long run the attitude of men and their behaviour in this area in favour of social justice. Short-sightedness and impatience would be poor counselors.

Confiscatory taxes could be a quieter, but therefore no less problematic way of „redistribution“. It is remarkable that the encyclical „Quadragesimo anno“ already warned against this in the above-cited passage in the year 1931. In the meantime, more and more states have proceeded to tighten the tax screws tremendously. Here the tax burden must also be seen today in connection with the welfare charges which have risen enormously. If it is no longer worthwhile for men in the state to work and to make an entrepreneurial investment with the fruit of their work because the state takes the greater part of it away from them, then this is an unjustifiable „cold expropriation“. Apart from the fact that a so-called „shadow economy,“ is developed under these circumstances, a monkey wrench is thrown into the works here, which does not pay for anyone, not even for the state.

### **The Question of Expropriation**

It becomes clear from the above-cited passage of Pius XII that the Catholic social teaching does not in principle exclude expropriation by the state either. However, this is bound to quite determinate conditions. First, the measure must be limited and may not serve as a pretext to nationalize or „socialize“ important industries and in this way to eliminate ownership of the means of production or practically to abrogate the free power of disposal through an excess of state control and planning.

Second, it must be a question of a measure that is urgently required by the common good. The burden of proof here lies with the state, and not with the citizen, that it „is the only means to remedy an injustice and to ensure the coordinated use of the same forces to the benefit of the economic life of the nation, so that the normal and peaceful development of that economic life may open the gates to material prosperity for all...“ (Pius XII, Catholic Mind 45 1947:710).

Third, there exists the duty of making appropriate recompense to the owner. We are familiar with expropriation measures, especially in the sphere of landed property, when an imperative need of the state or of the community exists. In a constitutionally governed state, the citizen has the possibility of lodging an appeal and of having examined whether the reasons advanced are really convincing or not. This is a protection against a too facile appeal to the „common good“.

We have already spoken of the necessity and the presuppositions for agrarian reform, especially in many developing countries. Paul VI says in this regard:

„If certain landed estates impede the general prosperity because they are extensive, unused or poorly used, or because they bring hardship to peoples or are detrimental to the interests of the country, the common good sometimes demands their expropriation“ („Populorum progressio“, Nr. 24).

## The Problem of Power

In the encyclical „Quadragesimo anno“, reference is again made to another possibility that threatens the common good:

„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 „Quadragesimo anno“, Nr. 14).

At that time (1931), this statement of Pius XI was directed against “that type of social authority, which, in violation of all justice, has been seized and usurped by owners of wealth (ibid.),“ i.e. against the claim to political power by economic magnates. After the Second World War, conditions were created in the countries of Europe with a free social order, which hardly still permit such a domination of large-scale ownership. However, ownership, like every form of power that is not in the service of right and of the common good, is dangerous. On the other hand, many men and even many governments seem to have become more cautious about seeing in nationalization and socialization a sufficient safeguard against power. John Paul II has the Polish conditions in view when he warns:

„Therefore, while the position of 'rigid' capitalism must undergo continual revision, in order to be reformed from the point of view of human rights, both human rights in the widest sense and those linked with man's work, it must be stated that, from the same point of view, these many deeply desired reforms cannot be achieved by an a priori elimination of private ownership of the means of production. For it must be noted that merely taking these means of production (capital) out of the hands of their private owners is not enough to ensure their satisfactory socialization. They cease to be the property of a certain social group, namely the private owners, and become the property of organized society, coming under the administration and direct control of another group of people, namely those who, though not owning them, from the fact of exercising power in society manage them on the level of the whole national or local economy”, (Laborem exercens, Nr. 14).

The economic misery in the socialist states, which among themselves have widely divergent structures of production, has become visible in recent years. But also, the notion is no longer tenable that, if an ownership power endangering the common good is socialized or nationalized, then it is held in check and serves all citizens. Too many scandals among enterprises that belong to the public arm or to the sphere of the so-called communal economy have given rise to a critical attitude and scepticism among all those who do not belong to the favoured, the functionaries, or the ideologues.

„Finally, we cannot pass over in silence the fact that economic enterprises undertaken by the State or by public corporations should be entrusted to citizens outstanding in skill and integrity, who will carry out their responsibilities to the commonwealth with a deep sense of devotion. Moreover, the activity of these men should be subjected to careful and continuing supervision, lest, in the administration of the State itself, there develop an economic imperialism in the hands of the few. For such a development is in conflict with the highest good of the commonwealth“ (John XXIII, „Mater et Magistra,, Nr. 118).

Even the problem of power posed by the concentration of wealth and property is most easily to be surmounted through a broad distribution among persons, families, and other communities. And what is indeed important is that this broadly disseminated ownership stand in personal responsibility and be able to exercise its function of social order. The power of disposal may not be withdrawn from the owner, not even in favour of allegedly „democratically“ formed decision-making bodies which, as a rule, have only a vote, yet do not bear wrong economic decisions and the losses of property connected therewith, but would like to shift these on to others, and most preferably onto the state. Where ownership has become a mere element

of possession and consumption, the inner coordination of ownership, power of disposal, and productive use of earthly goods is no longer ensured.

In the communist countries, one is realizing more and more that the abolition of private property was a fundamental mistake and that it has not brought about prosperity and justice for all, as Karl Marx predicted for the socialist society of the future. On the contrary, measured by the possibilities of an industrial society, these societies have remained poor. The Communist Party of China recognized this most clearly three years ago in this formulation: in the sphere of the economy, equality leads to poverty.

Where private ownership is nationalized or the right of disposal withdrawn from the owner, the unfolding of ideas and initiatives, the most productive use of resources possible, the creative development of capabilities and possibilities, and the necessary ordering and coordination of men in the use of material goods do not come about. Here an offence is committed against the principle of the common destination of earthly goods which has precisely nothing to do with socialization.

But the right to private property of men and societies is not left floating in a vacuum. It also requires orientation to the common good. That means that, because the presuppositions and conditions of producing, distributing, and consuming also continually change as a result of continuing developments and transformations in the economy, the development of property relations must be steered in such a way that concentrations of power and monopolies do not arise in social life either on the national or international level, but that persons and not anonymous committees exercise responsibility. Property stands in the service of the best possible provision of men with goods and services, which is indispensable for the economic, social, cultural, religious-ecclesiastical, and political development. In the Christian view, property is not a value in itself. But it is only with broadly disseminated property that the personal freedom of man and a humane ordering and shaping of the spheres of social life are ensured.

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