

THE INTELLECTUAL ORIGINS OF MODERN CATHOLIC SOCIAL TEACHING ON
ECONOMICS

AN EXTENSION OF A THEME OF JESÚS HUERTA DE SOTO

by

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In a recent article entitled “The Ethics of Capitalism,” Jesús Huerta de Soto points out how Israel Kirzner’s concept of entrepreneurialism is very similar to the idea that the creative acts of the human person are decisive for the material benefit of society, as seen in Pope John Paul II’s book *The Acting Person*, and in his encyclical *Centesimus Annus*. Interestingly, de Soto notes that prior to his death, Friedrich von Hayek had a lengthy personal conversation with Pope John Paul II. De Soto concludes: “Undoubtedly, *Centesimus Annus* shows how the pope’s understanding of economic relations has been modernized, thus rendering obsolete a great deal of the church’s earlier social teaching on economics.”¹ De Soto also notes that this acceptance of the creative role of the entrepreneur by the Holy Father has severed the relationship of Catholic social teaching with the mainstream neo-classical-Keynesian paradigm, and that this is due to the influence of Austrian economics.²

This new slant on Catholic social teaching, the existence of which is denied by defenders of the old view, is a welcome relief to the Austrian economist who is also a Catholic. The fact that Catholic economic teaching, put forth as unchanging and required of belief, did not square with what Austrian economists know to be true, has created an agonizing crisis of conscience for such economists, even leading to accusations by non-economist and economist Catholic colleagues casting doubt on the loyalty of such economists to the Church. Because of the older social teaching, capitalism is seen by many as an evil to be tolerated, regulated and feared. The power potential of “unbridled capitalism”

requires government supervision for the sake of the common good,³ because it is based on the notion of “radical individualism,” defined as the desire of one to do whatever he or she wants to make a profit.⁴

All too often, Christians, who are taught by their faith to be skeptical of “the world”, also tend to be alienated from any notion of material or technical progress which they equate, illogically, with that “world” condemned by Christ, or the French Revolution. Since the industrial revolution began, Christians have clung like sloths to thinkers who caricature modern economic systems as dehumanizing slave systems, accelerating the impoverishment of the poor, so that the factory owner can live more splendidly. Those predisposed to this ideology thrill when Thomas Carlyle writes that the Captains of Industry are doomed not to chivalry but to “doggery,” or when he equates these same Captains of Industry with Buccaneers and Chactau Indians, “whose supreme aim in fighting is that they get the scalps, the money, that they may amass scalps and money.” For, “what is it that they have a hundred thousand-pound bills laid up in their strong room, a hundred scalps hung up in the wigwam.”⁵ They feel akin to John Ruskin as he portrays success in business competition due to business acumen as a large man pulling himself up to a table where children are being fed and reaching over their heads, takes their food just because he can. ⁶

While this is not the place to give a detailed explanation of why these views are incorrect, it is important to note that such critics tend to ignore empirical evidence, were ignorant of cause and effect relationships in economics and/or were, as some early economists of the time were, hooked on Malthusian doctrine. It was because of Malthus’ famous but misdirected theory of population growth outstripping food production (which influences the writings of so many population control advocates today) that Carlyle termed economics “the dismal science.”

Suffice it to say that the work of economic historians such as T. S. Ashton, W. H. Hutt, and W. W. Rostow shows definitively that conditions on the farms were no better than in the factories, and that the rising wealth caused by the Industrial Revolution led to a rise in the birth rate, a reduction in the death rate and the bettering of overall conditions. Truly, increased productivity led to universal wealth which led to better health.⁷

Catholicism and Socialism

In his book *Socialism*, originally published in 1922,⁸ Ludwig von Mises discusses the prevailing attitude of the major religions of Europe toward the free market, and pays special attention to Catholicism. The main question seems to be whether or not “either Christianity or ‘private property’ should reach a point in its evolution which renders the compatibility of the two impossible--supposing that it had ever existed.”⁹ He finds a dichotomy between the way the Scriptures and the early Church approached political and economic systems and the later writers and practitioners of the Faith. Jesus himself, while not hesitating to criticize the current state of affairs, especially the hypocrisy of the ruling elites, abstains from suggesting any alternative political or economic system.¹⁰ This held true through the early centuries of Christianity, and even the “communism” of Chapter IV of the *Acts of the Apostles*, Mises points out, is a communism only of consumer goods, not of production or ownership of the means of production. This was true of the exhortation of St. John Chrysostom (d. 407) to restore a type of Christian communism.¹¹ Mises points out that even monastic communism is still that same type of consumer communism,¹² after all, the religious orders owned the land and the monastery in the same way as the nobles of the Middle Ages owned their land, and employed peasants on that land.¹³

What then accounts, according to Mises, for the sudden (in the late 1800's) interest of the Church in preserving private property. His explanation centers around the situation the Church found itself in in the dynamic world of the sixteenth century: "The roots of Christian Socialism are found neither in the primitive nor in the medieval Church. It was the Christianity that emerged revitalized from the tremendous struggles of faith in the sixteenth century which first adopted it, though only gradually and in the face of strong opposition."¹⁴ The struggle for orthodoxy with Protestantism, as well as the struggle with the reborn classical forms in art, literature and philosophy, of which some churchmen were in the forefront, caused the Church to "fall back and regroup," so to speak. From the Catholic counter-reformation onward, according to Mises, the Church has been fighting not merely to re-assert the time-honored doctrinal and spiritual teachings of Christianity, but to recoup its position of world dominance lost since the waning of the middle-ages.¹⁵

Now the Church condemns socialism only in its atheistic forms, but suggests its own version: That the Church, generally speaking, takes up a negative attitude to socialist ideas does not disprove the truth of these arguments. It opposes any Socialism which is to be effected on any other basis than its own. It is against Socialism as conceived by atheists, for this would strike at its very roots; but it has no hesitation in approaching socialist ideals provided this menace is resumed.¹⁶

How did Catholic social teaching end up accepting the negative stereotype of capitalism? One plausible thesis is presented in the same issue of the *Journal of Markets and Morality* as Huerta de Soto's article. There, A. M. C. Waterman writes that the cause of this view is the view that the state or society is an organic unity:

It has often been remarked that the metaphor of the body politic could be and was used by seventeenth-century authors with no Christian-theological underpinnings. Sir William Petty, for example, began his *Political History of Ireland* by noting Francis

Bacon's "judicious parallel . . . between the *Body Natural* and the *Body Politick*" and much use of the latter in his own work. Sir Robert Filmer and Jean Bodin each made the body politic resemble the family, and thus extended patriarchy from the latter to the former--exactly as did Leo XIII in *Rerum Novarum*. At least the first of these might be thought of as modern examples of the Aristotelian organicism that Minogue attributed to Centesimus Annus. In my opinion, however, the type of organicism characteristic of papal social teaching, though undoubtedly affected by Aristotle through the influence of scholasticism, is primarily Christian and specifically Pauline.

He gives an example of Christian organicism influenced by Aristotle from Jonathan Swift's sermon on mutual subjection. Swift writes of the "comparison which St. Paul maketh between the Church of Christ and the natural Body of Man: for the same Resemblance will hold, not only to Families and Kingdoms, but to the whole Corporation of Mankind." Waterman later continues: "For Christians mutual subjection is an act of love. There is negligible difference at this point between Swift in 1730 and either Thomas Starkey's *Dialogue* two centuries earlier, or Pius XI's *Quadragesimo Anno* two centuries later."¹⁷

Ultimately, Waterman says, a close reading of *Centesimus Annus* reveals the imposition of propositions favorable to the operation of the market "upon an underlying body of papal social teaching that is alien to, and fundamentally incompatible with, such an order." This is because, in Waterman's mind, the Church sees society as an organism, but enlightenment social theory--"in which political economy is an *explanans* and market order is an *explanandum*, views society as a *habitat*."¹⁸ Hence, the ultimate yet unintended outcome of this organicism is "the subsequent isolation of papal social teaching from political economy and the economic way of thinking."¹⁹

In an earlier article in the *Review of Social Economy*,²⁰ Waterman gives a different and more well developed theory. According to Waterman, the main problem that caused the *isolation* of

Catholic social teaching from the science of economics was the French Revolution:

Why did the Roman Church wait until 1891 before uttering any official teaching about the industrial economy?²¹ Why, when it did, was it so hostile to the market order? Why, in view of its lack of confidence in the market, was it so opposed to socialism? The short answer to all three questions is “The French Revolution.”²²

Essentially, the Church was caught in a dilemma. On one hand, it equated the theory of a free market with the Enlightenment, which it blamed for the French Revolution which resulted in the confiscation of Church property and the martyrdom of many of its clergy. The Risorgimento, which had taken away the Papal States, was merely another version of the same thing. So the Church was forced to condemn anything that it felt came out of the Enlightenment without distinguishing those things which were compatible with Catholicism and Thomism and those which were not. But, it had to condemn socialism, the essence of which was the denial of private property in order to defend the Church’s right to its own property.²³

While both these theories of Waterman are essentially correct, and give great insight into modern Catholic social teaching and the cause of the crisis of conscience mentioned above, the theory is not complete. To date, no one has really tackled the *economic theory* used intraditional Catholic economic thought. This paper proposes to give some brief insights into this neglected area.

Sources of Papal Economic Thought

The popes themselves usually do not footnote the economists from whom they get their theories. Usually, the only non-scriptural references in papal social documents are St. Thomas Aquinas and St. Augustine. But underlying their thought is an economic theory that does not match economic

reality certainly as the Austrians economists, nor even as most neo-classicals understand it. In an attempt to discover from where the popes got their economic theory, this author perused a number of well regarded, approved works on papal economic teaching, some of the authors of which were actually influential in the writing of the encyclicals. From the most recent to the earliest, the list is as follows:

- ! Franz H. Mueller,²⁴
- ! Rodger Charles, S. J. with Drostan Maclaren,²⁵
- ! Johnnes Messner,²⁶
- ! Oswald von Nell-Breuning, S.J.,²⁷
- ! E. Cahill, S.J.,²⁸
- ! Heinrich Pesch, S.J.,²⁹
- ! Bishop Wilhelm Emmanuel von Ketteler,³⁰

It is well known that Bishop von Ketteler was really the first Catholic of any influence to raise the social question. In addition, it is commonly known that he had a great influence on the way Pope Leo XIII viewed the economic world.³¹ One of the main themes of Catholic social teaching by the popes and other writers has been the problem of a just and living wage. Leo XIII describes the condition of the workers of his time, 1891, in terms that really seem to apply fifty years earlier:

Hence, by degrees it has come to pass that the working men have been surrendered, isolated and helpless, to the hard heartedness of employers and the greed of unchecked competition to this must be added that the hiring of labor and the conduct of trade are concentrated in the hands of comparatively few; so that a small number of very rich men have been able to lay on the teeming masses of the laboring poor a yoke little

better than slavery itself.³²

Following up on this notion, that the workers are merely victims of capitalist greed, Pope Pius XI proposed that “the worker must be paid a wage sufficient to support him and his family Every effort must therefore be made that fathers of families receive a wage large enough to meet the ordinary family needs adequately.”³³

While the Papal social encyclicals are written in a general way so that it is hard to divine exactly to which particular circumstances the Popes are referring, the common impression is that capitalism has reduced the working class, even as late as 1931, to destitution. While we might excuse Pope Pius XI for his concern about this issue since he wrote *Quadragesimo Anno* during the depression, where it was common to blame capitalism and “the business cycle” for the economic woes of the world, it is hard to excuse Leo XIII. Using life expectancy figures, which ought to have been available to Leo, it is clear that at the dawn of the nineteenth century life expectancy in England was about 37 years, but after 1871-5, about 20 years prior to *Rerum Novarum*, there is acceleration in life expectancy with no setbacks, so that by 1900 English life expectancy is about 50.³⁴ Real per capita income begins to soar immediately after 1800 in all of Europe.³⁵

The only explanation for this is an acceptance of an economic theory that is its own predictor. A clue to this theory is found in Bishop Emmanuel von Ketteler’s work *The Labor Problem and Christianity* (1864). Chapter III of that work is entitled “the Condition of Labor.” Ketteler writes:

The satisfaction of the material needs of the working class, the provision of all the necessities of life for the worker and his family rests, with so few exceptions that it only proves the rule, on the worker’s wage. And the wage rate in our time is determined by subsistence in the strictest sense of that word, i. e., the minimum food, clothing, and shelter that a person needs to sustain a bare physical existence. The truth of this

proposition has been so well established as a consequence of the well known controversies between Lassalle and his opponents that only an overt intention to deceive would lead one to deny it³⁶

What Ketteler is referring to here is the theory of the “iron law of wages” formulated by the German socialist and associate of Karl Marx, Ferdinand Lassalle. The “iron law of wages” asserts that the wage rate is based on the combination of the cost of subsistence and the number of workers. In other words, employers would only pay workers what workers would need to keep up their strength to work, but no more. This desire of the employers would be conditioned by the number of workers available in the society. If the population declined, the employers would be forced by the scarcity of workers to pay higher than subsistence. This would increase the population, forcing wages down below subsistence causing the population to decline, thus raising the wages again. The subsistence level was an equilibrium level around which wages hovered. Oddly enough, this iron law of wages was derived from a theorist whose ideas are anathema to Catholics today because of his population control ideas that are used extensively by proponents of abortion and artificial birth control, two things clearly condemned by the Church, Thomas Malthus.³⁷ According to Malthus, food supplies would increase arithmetically, but population would increase geometrically. Hence the population would outrun the food supply, thus reducing the population. When the population lessened, it would be better fed, inclining toward another increase and declining per capita food supplies, etc. All the iron law of wages is is an application of the Malthusian food theory to wages.

In addition, the iron law of wages is based on the “law of diminishing returns” something accepted by the classical economists and by many neo-classicals, but which is based on a static view of both production and farming.³⁸ Neither the Malthusian food theory nor the law of diminishing returns

take into account the fact that the economy is a dynamic process, and thus a continuing developing technology increases productivity. Nor do these theories realize (or intentionally ignore) the fact that workers are paid, not by the cost of subsistence, but by their discounted marginal value product (DMVP), on which the capitalist will earn the going rate of interest on the savings he spent on all the factors of production (the total DMVP). The price of a good or service, then, is the DMVP of the factors of production plus the interest earned on the investment of the DMVP paid to the factors.³⁹ With the increase of capital accumulation, the DMVP of the factors increases, because each factor produces more. The resulting increasing wealth of society (Say's law) allows increased purchases and increased savings, thus ultimately increasing the worker's DMVP. This is why it can be said that the theory of wages accepted by Ketteler and the popes is its own predictor. Without consulting the factual reality, the iron law of wages "predicts" that capitalism automatically results in the pauperization of the workers, from which they cannot extricate themselves. This is why the state must tax the capitalist. Someone must aid the workers, or give them what they should have in "justice" which is being confiscated by the capitalist. This is not charity, which the Church also properly enjoins on the faithful. But, if this wage theory is accepted, the redistribution of wealth by the coercive powers of the state is completely justified, and in no way can be called theft.

The Ultimate Economic Theory Behind Catholic Economics

Not only did Ketteler accept Lasalle's idea of the iron law of wages, but Hogan writes that Ketteler is influenced by both Adam Müller (1779-1829) and Franz von Baader (1765-1841). Müller himself was influenced by St. Simon and Lamennais, especially regarding the notion that the main social

problem was not the wealth of the workers but the rights of workers.⁴⁰ Müller tried to defeat the ‘dangers’ of economic liberalism to the perceived interests of Christianity long before Ketteler. Müller can be classified as a “romantic economist” and a forerunner of the German Historical School of economics that took the anti-liberal and anti-Austrian side in the Methodenstreit. Müller

found fault with the ideas of the enlightenment, of rationalism, and of natural law and, as a bitter critic of Adam Smith’s liberal views . . . extolled the corporate state and other medieval institutions and suggested their restoration, deploring the liberal commercialism of the modern age and contrasting it with what he claimed to be higher spiritual values grounded in authority, tradition, and religion, with the state exalted as a mediator between man and God.⁴¹

Müller found free enterprise to be a threat to the viability of the absolute state and a source of confusion in society. He exalted money as a creation of the state and placed paper money on an equal footing with metallic money.⁴² All this was accomplished by Müller and the rest of the historical school of romantic economists without any economic analysis.⁴³ Interestingly as well, the historical school, while upholding Catholic historical and philosophical ideals, “was primarily informed by Humean nominalism [abhorrent to Catholic teaching], while [ironically the Austrian side of the Methodenstreit] is best understood in the context in the context of nineteenth-century Aristotelian/neo-scholasticism.”⁴⁴ This explains why the historical school did not accept the possibility of any “laws” of economics.

Baader defended, not the old corporate order, but a system of guilds designed to meet modern conditions. The guilds not only should be protected by the state, but that the guilds would have the say as to how much protection they should have--a sure ticket to a type of “dictatorship of the proletariat.” Baader granted the state the right to use force in regulating the German economy.⁴⁵

Coming directly from this tradition is Heinrich Pesch, a German Jesuit economist, who was a

great indirect influence on Pope Pius XI's encyclical *Quadragesimo Anno*, and the founder of Solidarism, essentially an organized summary of what has been discussed above.

Pesch (1854-1926), who is touted as a trained economist by those in support of his theory, studied at the University of Bonn and “was strongly influenced by the triumvirate of Schmoller, Sering and Wagner”⁴⁶ of the German historical school. While Pesch does concern himself with economics, and accepts a version of Smith's self-interest, both occur as a result of the actions of God. For Pesch, society is never a spontaneous order as Hayek would later postulate, but is based on three principles,

1) subsidiarity--that nothing should be done by a higher level of society that can be done by a lower level, and nothing should be done by the public authority that can be done by a private authority;⁴⁷

2) solidarity--which sees man as a social animal and social institutions as aids to man's “evolution and unfolding;” and

3) unit--man is to consider the welfare of his fellows.⁴⁸

By this time it should be apparent that the thrust of Catholic social teaching on economics primarily reflects a combination of the Aristotelian-Thomistic school and the German historical (or Romantic) school. To confirm this hypothesis a perusal of the other relevant works reveals the truth of it.

Nell-Breuning, also German, a disciple of Pesch and the main author of Pius XI's *Quadragesimo Anno*, has no footnotes in book, *The Organization of Social Economy*, but there is no question that he follows the same general trend. He openly rejects the economy as a spontaneous

order, calling the idea that economic life has no predetermined end as “the liberalist fiction.”⁴⁹ He uses a definition of capitalism from a German named Jostock, which holds that competition always ends up to the benefit of capital (implying that competition is to the detriment of labor).⁵⁰ He also rejects much competition, substituting instead a clearly spelled out corporatist state, where consumers, workers and management will be organized into large organizations.⁵¹ These organizations will co-operate with each other, with no real need for “excessive” competition.⁵² It should be obvious that this is merely a continuation of the German historical school’s version of economics.

Cahill uses Charles Antione’s *Cours d’economic sociale* (1920) as his main source for economic knowledge. Antoine (1847-1921) had a peculiar background. He was trained as an engineer and chemist, but taught theology. Antoine’s book approaches economics from the theological perspective. What this means is that in Cahill’s book there is no economic analysis and very little understanding of the subject. Cahill also makes use of Belloc’s *The Servile State*, and holds with Belloc that the results of liberal capitalism is either “the servile state” of pre-Christian times or Socialism. Cahill uses German historical economist and future Nazi theorist Werner Sombert to blame the Jews as a source of capitalism and holds that the Jews and Puritans were in an economic partnership.⁵³ He is also critical of the field of finance which he calls a dictatorship and “the most comprehensive and far-reaching evil of the capitalist system,” because “[i]t puts the financial magnates, who are mostly Masonic Jews and the inveterate enemies of Christianity” in a position of immense power.⁵⁴ Lastly, Cahill still holds that Capitalism leads to widespread pauperism, possibly because the depression ongoing at the time he wrote “proved” this oft repeated error.⁵⁵

Joannes Messner, another German, has produced a substantial work, and like Nell-Breuning,

he attempts at least to discuss at length the ideas of production and distribution of wealth. Messner cites German Othmar Spann with approval that the economy must have a determined end.⁵⁶ But to Messner's credit, he sees the market as a process, similar to Austrian theory.⁵⁷ He rejects the neo-classical idea of *homo economicus*,⁵⁸ but criticizes the classical liberals for turning their economic postulates into moral ones,⁵⁹ revealing that he really does not understand the idea of economic laws. He does quote some Austrians on page 760, but ends up glorifying the corporatist state, citing John Kenneth Galbraith and J. M. Keynes with approval.⁶⁰ Lastly he uses Joan Robinson as an authority to say that while it is true that the accumulation of capital raises wages, this is true in both capitalist and socialist economies. There is no attempt to deal with the facts.

Franz H. Mueller's book is a detailed yet telescopic history of the historical and intellectual atmosphere that engendered Catholic social teaching on economics. But, while Mueller quotes plenty of German economists of the historical school, he does so in the sense of "proving" that the free market economists were wrong. That is, laissez-faire is harmful because these Germans say it is. There are even some outrageous statements in the book that fly in the face of all we know. For example, he tells us that the idea of freedom came from England with the Puritans to America. The Declaration of Independence was then responsible for the French Revolution by re-importing the notion of freedom back to the continent⁶¹ There is no analysis or proof given. He also denies that the workers in Europe were better off as a result of the industrial revolution,⁶² and he cites a number of thinkers such as Baader, Müller and Marx as recognizing this truth. The only proof for his assertion about the increasing pauperization of the masses are certain literary works.⁶³

This leads us to the last book under consideration, and one that is very instructive due to its

honesty. Father Rodger Charles, S.J., criticizes Say saying without further elaboration that Say's theory does not take into account the underemployment of resources, and therefore those who use Say's writings to justify the free market are wrong.⁶⁴ Without reading any further, one can see an implicit approval of Keynes, whose whole theory is based overproduction and underconsumption--a rejection of Say's Law. He sides with the welfare economics of Pigou because it takes into account what he calls the technical and human aspects of economic life. And eventually praises Keynes as expected because he feels that Keynes theory corrects some mistaken notions of the classical economists.⁶⁵

Lastly, in his praise of Keynes, he says that Keynes was not the first to correct this aspect of the classical economists. He refers approvingly to outright socialist John Grey (1799-1883) who believed that the competitive system exploits the workers by appropriating what should be theirs. Hence, Grey argued, the competitive system should be abolished through the establishment of cooperative communities, very similar to the ideas of Father Nell-Breuning and the *Quadragesimo Anno* of Pius XI.⁶⁶

Conclusion

The results of this admittedly telescopic investigation are abundantly clear. The intellectual origins of Catholic social teaching on economics are a very clear reflection of the thought of the German historical school only. This is true not only of content, but also of methodology. Both de Soto and Waterman are correct, but they did not go back far enough in their analysis to the root causes of the gap between free market economics and Catholic social teaching. The acceptance of some market ideas by Pope John Paul II does show the irrelevance of the previous economic teaching, but there still

remains at least a partial adherence to the denial of economics as a science inherent in the German historical school's approach, which treats the classical liberal approach as a mere ideology motivated by the economic greed of the capitalists, despite the facts.

These findings explain much about the political policies of the Catholic Church in the United States. Given the approach of the popes and the intellectual sources of Catholic thinking on economics, it is no wonder that the Church could have given rise to Msgr John Ryan of Catholic University of America, called by many Msgr. "New Deal." It also explains the adherence of so many Catholics to the Democratic party and its policies, and to an adversarial labor union mentality. It might also explain why these same Catholics do not see why the party they historically loved so much would be in the forefront of abortion and birth control policies that the Church condemns. Here they fail to see that the foundation of the whole Catholic theory is still a disguised form of Malthusianism, so that the wholesale acceptance of the German approach to economics has become a Frankenstein.

Lastly, after considering the implications coming from this analysis, it is no longer a mystery where Catholic liberation theology came from. Even though the popes have always taught respect for authority and have never condemned capitalism outright, much of their teaching and the thinking of their intellectual ancestors have implied that the movers and shakers in business are by definition corrupt, as seen in John Courtney Murray's economic thought which relied on the thinking of Adolph Berle, an institutionalist under the influence of Veblen who was influenced by this very German historical school.

NOTES

1. Jesús Huerta de Soto, "The Ethics of Capitalism," *The Journal of Markets and Morality* II, 2 (March 1998): 157.
2. *Ibid.*, 157-8.
3. John Courtney Murray, S.J., "Leo XIII: Two Concepts of Government," *Theological Studies* 14 (December, 1953): 551-567. Also, the recently issued *Catechism of the Catholic Church* (New York: Doubleday-Image, 1994), 642, states: "Reasonable regulation of the marketplace and economic initiatives, in keeping with a just hierarchy of values and a view to the common good, is to be commended."
4. See, for example, the touted E. Cahill, S. J., *The Framework of a Christian State* (Fort Collins: Colorado, Roman Catholic Books, n.d., originally published in 1932), 138ff. The *Catechism of the Catholic Church*, 642, says of the Church: "She has likewise refused to accept, in the practice of 'capitalism,' individualism and the absolute primacy of the law of the marketplace over human labor."
5. Thomas Carlyle, *Past and Present* (London: Chapman and Hall, 1894), 233.
6. Ruskin, John, *Morals and Religion*. Part 7 of *The True and the Beautiful in Nature, Art, and Society* (New York: John Wiley and Son, 1875), 409.
7. See also, Nathan Rosenberg and L. E. Bridzell, Jr., *How the West Grew Rich :The Economic Transformation of the Industrial World* (n. p.: Basic Books, 1986), 177-8, and Julian Simon, ed., *The State of Humanity* (Oxford: Blackwell, 1995).
8. The original title was *Gemeinwirtschaft: Untersuchungen über den Sozialismus* (Jena: Gustav Fischer, 1922). All quotations from this work used here are from the English edition, *Socialism: An Economic and Sociological Analysis* (Indianapolis: Liberty Classics, 1981).
9. Mises, *Socialism*, 373.
10. *Ibid.*, 373-4, and 376.
11. *Ibid.*, 383-4.

12. Ibid., 384
13. See, M. Raymond, OCSO, *Three Religious Rebels: The Founding Fathers of the Cistercians* (Boston: St. Paul Books and Media, 1986), 173.
14. Mises, *Socialism*, 384.
15. Ibid., 384-6.
16. Ibid., 386.
17. A. M. C. Waterman, "Market Social Order and Christian Organicism in Centesimus Annus," *The Journal of Markets and Morality* II, 2 (Fall, 1999): 222-223.
18. Waterman, "Market Social Order", 221.
19. Ibid., 229.
20. "The Intellectual Context of Rerum Novarum," *The Review of Social Economy* 49, no. 4 (1991): 465-82.
21. Remember, the church complained about the condition of the working classes after their condition had been significantly improved. See p. above.
22. Waterman, "The Intellectual Context of *Rerum Novarum*," 465.
23. Ibid., *passim*.
24. *The Church and the Social Question* (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1984).
25. *The Social Teaching of Vatican II: Its Origin and Development* (Oxford: Plater Publications and San Francisco: Ignatius Press, 1982).
26. *Social Ethics: Natural Law in the Western World*, rev. ed., trans. by J. J. Doherty (St Louis: Herder, 1965, originally published in 1949).
27. *Reorganization of Social Economy* (New York: Bruce, 1936).
28. *The Framework of a Christian State* (see endnote #4).
29. *Lehrbuch der Nationaökonomie* 5 vols. (Frieberg im Breisgau: Herdersche Verlagshandlung, 1905-22).

30. *The Social Teachings of Wilhelm Emmanuel von Ketteler, Bishop of Mainz (1811-1877)*, ed. by Rupert J. Ederer (Washington, D.C.: University Press of America, 1981). A collection of writings and speeches of Bishop von Ketteler.
31. Rupert Ederer, "My Journey into Solidarism," *The Catholic Social Science Review* 3 (1998): 79, and John Courtney Murray, S. J., "Leo XIII: Two concepts of Government," 551.
32. Leo XIII, *Rerum Novarum (On the Rights and Duties of Capital and Labor)* in *The Church Speaks to the Modern World: The Social Teachings of Leo XIII*, ed. By Etienne Gilson (New York: Image, 1954), 206.
33. Pius XI, *Quadragesimo Anno (On Reconstructing the Social Order)*, in *The Church and the Reconstruction of the Modern World: The Social Encyclicals of Pius XI*, ed. By Terence P. McLaughlin, C.S.B. (New York: Image, 1957), 244.
34. Samuel H. Preston, "Human Mortality Throughout History and Prehistory," in Julian Simon, ed. *The State of Humanity*, 31.
35. Joyce Burnette and Joel Molkyr, "The Standard of Living Through the Ages." in Simon, ed., *The State of Humanity*, 139.
36. In Ederer, ed., *The Social Teachings of Wilhelm Emmanuel von Ketteler*, 321.
37. *An Essay on the Principle of Population* (1798).
38. For a thorough discussion of the iron law of wages see, George Reisman, *Capitalism: A Treatise on Economics* (Ottawa, Illinois: Jameson Books, 1996), 491 ff.
39. Murray Rothbard, *Man, Economy and the State* (Auburn Alabama: The Ludwig von Mises Institute, 1993), 390-1.
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54. *Ibid.*, 152.
55. *Ibid.*, 148-9.
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57. *Ibid.*, 754-5.
58. *Ibid.*, 758.
59. *Ibid.*, 759-60.
60. *Ibid.*, 772, 789 and 785.
61. Meuller, *The Church and the Social Question*, 50-51.
62. *Ibid.*, 54-55.
63. *Ibid.*, 145, note 106.
64. Charles, *The Social Teaching of Vatican II*, 266-7.

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66. Ibid. On Grey see, *The New Palgrave*, c. v. "John Grey", 562-3.