

THE JESUITS: FROM MARKETS TO MARXISM; FROM PROPERTY PROTECTION TO SOCIAL PROGRESSIVISM

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Abstract

At the inception of the Jesuit order in the 16th century, they played an important role (along with the Dominicans) in the formation of the School of Salamanca. The economic philosophy undergirding this institution was far more radically free enterprise oriented than even Smith (1776). Yet, in the modern world, the Jesuits are not at all associated with economic freedom. Rather, if there is any philosophy informing their views it is liberation theology, an amalgamation of the non atheistic aspects of Marxism, combined with a more traditional Catholicism. The present paper is an attempt to trace this virtually 180 degree reversal of field and to understand it.

Key words: Liberation theology, Marxism, socialism, Catholicism, Jesuits

JEL Classification: B1, Z12

There has been a remarkable change in economic philosophy of the Jesuit Order. Early scholars in this tradition were firm supporters of free markets and limited government control of the economy. Their counterparts in the modern era have switched to supporting liberation theology which uses government control to fix the “errors” of the market in a Marxian fashion. The burden of the present paper is to provide an economic analysis of this paradoxical situation so as to help understand it. But first one must start from the beginning.

Background

Let us begin with an understanding of the Jesuits. The Society of Jesus was founded in 1534 by St. Ignatius de Loyola. It has become one of the largest Catholic religious orders. In addition to standard Catholic doctrine, the Society of Jesus is known globally for its specialization in higher education, social justice, and human rights (Brodrick, 1940). Many Jesuits teach liberation theology, a Marxian social justice theory, despite controversy amongst the religious. The papal encyclicals,

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which are written by committees but appear over the name of the pope in office when released, bounce back and forth between mildly denouncing socialism to promoting socialist policy.¹ These encyclicals are guidelines for Catholics, yet the committees writing them often disagree on correct teaching. They become stuck between what “feels right” morally, and what will actually promote the change they seek. While this may seem like it promotes a disconnect between economics and morality, it merely points out that most economic legislation does not create the desired effects legislators were seeking. Often it can produce the exact opposite (Hazlitt, 1962). Thus, the tension between economics and morality stems from a failure to understand economics and the underlying causes of problems before trying to offer a solution that will produce the desired moral outcome.

As scholastics, the Jesuits were established at what was perhaps the most prestigious university in philosophy and ethics at the time of their inception, Salamanca. Named for the city in Spain in which it is housed, this school comprised some of the most brilliant minds of the day, and developed economic theories about inherent value, just price, and usury (Grice-Hutchinson, 1952). This school was inspired by the works of St. Thomas Aquinas in the thirteenth century. The Scholastics were extremely free market oriented (Chafuen, 2003). They based their analysis on an understanding of scarcity and the institution of trade. Catholic theories supportive of markets and free enterprise valuation appear as early as the thirteenth century and become refined through the School of Salamanca in the sixteenth.

While economics was not yet a defined discipline, the studies of these early scholastics at the School of Salamanca are the foundation of free market economy (Huerta de Soto, 1996, Rockwell, 2009) and the precursor to the Austrian School of economic thought.² While it may seem like a big jump from Spain to Austria, this is an important part of the historical context. The sixteenth century is often referred to as the Spanish Golden Age because Spain controlled essentially all of continental Europe apart from France. The Spanish Emperor, Charles V, sent his brother, Ferdinand I, to rule over the “eastern part of the empire,” which is the etymology of the word “Austria.” Hence, the teachings of the school of Salamanca eventually found their way into the hands of Menger, Hayek, and Mises, where this free market theory was revitalized (Huerta de Soto, 2008).

¹These encyclicals deal with political economy: Leo XIII, "Rerum Novarum" (Vatican City, May 15, 1891). Pius XI, "Quadragesimo Anno" (Vatican City, May 15, 1931). John XXI, "Mater et Magistra" (Vatican City, May 15, 1961). John XXI, "Pacem in Terris" (Vatican City, April 11, 1963). Paul VI, "Populorum Progressio" (Vatican City, March 26, 1967). Paul VI, "Octogesima Adveniens" (Vatican City, May 14, 1971). Paul VI, "Evangelii Nuntiandi" (Vatican City, Dec. 8, 1975). John Paul II, "Laborem Exercens" (Vatican City, Sept. 14, 1981). John Paul II, "Sollicitudo rei Socialis" (Vatican City, Dec. 30, 1987). John Paul II, "Centesimus Annus" (Vatican City, May 1, 1991).

²The Austrian School of economic thought stresses praxeology, individual preferences and subjectivity within self-regulated market-based exchange. The school's view on time-preference and interest rates within its business cycle theory explained the Great Depression, as well as the current financial decline (Woods, 2008). The name "Austrian," is derived from the heritage of its early developers Carl Menger, Eugen von Böhm-Bawerk and Ludwig von Mises. See on this Humphreys, 2007; Rockwell, 1995;

This is where the logical contradiction of the historical setting fits in. If the Jesuits were scholars at the School of Salamanca, a predominately free market school that was the predecessor to the Austrian School (Woods, 2005; Huerta de Soto, 1996, 2008; Chafuen, 2003; Grice-Hutchinson, 1952), then how do modern Jesuits wind up supporting, promulgating and teaching liberation theology, a form of Marxism without the atheism? It of course cannot be maintained that the Catholic Church is a homogeneous monolith. There are of course ideological and philosophical and even theological differences within it. These give rise to debates, disagreements, the firing of professors on theological grounds,³ even potential schisms. For example, several popes have attempted to rein in the most extreme versions of liberation theology.⁴ However, neither can it be denied that as an empirical generalization, social justice, liberation theology, concern for the poor and downtrodden as a result of capitalism, suspicion of the free enterprise system, are still widespread within this religious community. This is at *great* variance from the views of the School of Salamanca. Enquiring minds need to explore this almost 180 degree transition.

Analytics

We begin by moving from the earliest economic thought, down the path that leads to Marx's philosophy. The spread of knowledge from Salamanca at this time was not as powerful one might think, despite the fact that this school of thought is now very popular in Austrian quarters. Rather, the big news in the sixteenth century comes when Martin Luther posted his grievances on the door of a church in Germany. The protestant reformation stole the School of Salamanca's thunder⁵ in this respect; this is an important part of the explanation as to why many (virtually all) economics textbooks skip the School of Salamanca, and, indeed, everything else of significance before Adam Smith (1776) when referencing economic thought (De Roover, 1955). A deeper look into the history of economic thought will reveal that:

“Much of what these sixteenth-century Catholic thinkers taught in the economic realm revealed a considerable understanding of and appreciation for the functioning of the market, including the role of entrepreneurship, the nature of exchange, and the justice of prices and wages determined by the free interplay of supply and demand. Well before Adam Smith, therefore, a whole host of thinkers not only anticipated many of his insights regarding the free market but even avoided some of his errors (the labor theory of value chief among them) that would arise in Smith's work.” (Woods, 2005, 43-44)

³http://www.google.com/#sclient=psy&hl=en&rlz=1W1DMUS_en&q=the+firing+of+Catholic+professors+on+theological+grounds+&rlz=1W1DMUS_en&aq=&aql=&oq=&pbx=1&fp=a09eab5fb0f14aaf

⁴http://www.google.com/#sclient=psy&hl=en&rlz=1W1DMUS_en&q=popes+oppose+liberation+theology+&rlz=1W1DMUS_en&aq=&aql=&oq=&pbx=1&fp=a09eab5fb0f14aaf

⁵A similar occurrence in the history of economic thought took place when Hayek (1931) and Mises (1912) were swept away in the Keynesian (1936) “revolution.”

The Paradox that remains is thus: how do the Jesuits come to follow the Marxian path rather than sticking with the classical liberal view?⁶

Economic Reasoning

To explain this one must look at the Jesuits primarily as a religious order and only secondarily as a philosophical entity. This may be hard to do considering the deep inner thinking and Ignatian spiritual exercises of self-reflection that differentiates Jesuits from other religious orders. However, the Society of Jesus is primarily a religious order, and so the early Jesuits who were Spanish Scholastics did not study economics in the same way as is done today. Modern economics is a positive science, focusing primarily on how the world operates; it is strictly focused on ends. Whereas, the Jesuits are more concerned with the normative view: how things ought to be. Having a religious background, there is a great concern for not only achieving moral outcomes, but requiring a moral means to those ends.

While when a Jesuit teaches a class on morality today, he will often make the point that the ends do not justify the means; there are various early Jesuits who point out that the end can justify the means (Fulop-Miller, 1930, 150-162). This is yet another divergence between today's Jesuits and their early roots. Economics on the other hand separates the end and the means entirely.

There are good and bad intentions and good and bad outcomes. This can be illustrated with the following 2x2 matrix:

		Intentions	
		Good	Bad
Outcomes	Good	A	B
	Bad	C	D

For the most part, the church is concerned with the left column – good intentions. In quadrant A, one would find Mother Teresa, a person with good intentions and from whose intentions emanate good outcomes. Quadrant C depicts unintended consequences. While the intention was good, the outcome was not. This is where most economic legislation lands.⁸ Quadrant D is the domain of unsavory

⁶Classical liberal, to distinguish the original meaning of liberalism from that which American politics has brought today's meaning to be: far left, favoring large governmental institutions. Classical liberalism is a call back to the original meaning of liberalism, which is based on liberty and freedom. This is ironic, given the ideas on which this country was founded; the meaning of this word has been shifted to the opposite direction when it comes to American politics today.

⁷ We owe this way of putting the matter to Dan D'Amico.

⁸ For example, the minimum wage, rent control and tariffs. From the point of view of most but not all

characters, persons with bad intentions who are able to achieve their desired intentions, hence bad outcomes.⁹ Finally, quadrant B is where Adam Smith's invisible hand would fall; regardless of intentions, there are good outcomes.¹⁰ Today, the church often lands in quadrant C when attempting to promulgate legislation especially in the area of labor law.¹¹ The ability to transpose intentions and outcomes is coupled with the relationships of positive and normative economics, which separates how things are and how they ought to be.

The separation of normative and positive economics does not mean that morality is simply discarded; rather it implies that one should use the positive tools of economics to determine how different economic entities interact. These positive conclusions can then be used when considering the full moral implications and consequences of one's actions. They can be used to avoid winding up in the problem quadrant, C.

Time preference

Another way to explain the church's shift away from free markets is through time preference. The church serves a vast number of people with varying time preferences. Let us hypothesize that Catholics have shorter time preferences than others.¹² If so, then it is perhaps more understandable that some of the economic policies advocated by the church may have negative consequences in the long run, while they appear beneficial in the short term, the church's real concern. The immediate effects of such have a veneer of morality, at least in the quadrant C sense of good intentions. This concept, although seeming to fit a solution of the paradox carries its own restrictions in that it assumes subscribers to the church teachings are economically illiterate. While there are Catholic theologians such as Novak (1978, 1979) and Woods (2005) who embrace free markets and attempt to establish another way of looking at the church and economic policy, it is easy to see how the majority of religious individuals would simply follow the church's lead, having had little or not education in economics. For example, many voters want their congressmen to raise the minimum wage thinking they will earn more, while in reality their real wage is diminished by this type of misunderstood economic legislation. This legislation is perhaps the most dramatic example of quadrant C thinking combined with high time preferences. Most, but not all supporters of this law are well intentioned. And, it is "good" in the short run, but disastrous over the long haul. No one, no one at all, loses his job in the immediate aftermath of a hike in the legally mandated wage minimum. However, as time goes on, and allows entrepreneurs to substitute now

of the advocates of this legislation, if they but knew of its actual effects, they would renounce their support for it.

⁹ For example, international socialists such as Stalin, and national socialists of the Hitler ilk.

¹⁰ We assume, *arguendo*, here, that selfishness constitutes a "bad" intention.

¹¹ John Paul II, "Laborem Exercens" (Vatican City, September 14, 1981).

¹² We rely on the works by Novak (1981) and Weber (2001) as possible support for this supposition. See also Banfield, 1977, 1990, for the relationship of time preference and human behavior.

cheaper factors of production for those, primarily unskilled labor rendered more expensive by this law, its malevolent effects are seen. Catholics and other religious people, who push for the church's socialist agenda on (supposedly) moral grounds, also misunderstand the implications of the economics for lack of education in the field.

Also, religious supporters of dirigisme may focus on the net benefits of society as a whole rather than on their own self-interest. This however would be unlikely because self-interest is the driving force for doing the calculation in the first place. Self-interest can weigh in on the side of short-run benefit at the expense of long-run growth if one has high time preferences. For instance, consider Obama's health care bill. Suppose someone wishes to limit one's own risk by allowing other people to bear the burden of his possible ill health; it can be done, but only at the expense of long-run gains, slowing the growth of the field, reducing technological changes, and accepting the stultification that socialism necessarily brings about (Mises, 1922). Out of self-interest, one may forego the long-run consequences to society in order to mitigate his localized risk because, after all, in the long run we will all be dead.¹³

Having already mentioned the Protestant Reformation, we must delve into the economics involved therein. This schism was a process where power becomes de-monopolized. This process transferred material and spiritual wealth from a few aristocrats to the general population. In an attempt to separate church from state¹⁴ one can view the religious implications of the reformation as a form of de-monopolizing access to God. Here, man does not need to be a religious scholar to read and understand the bible. The Catholic Church, being very slow to change, is still engaged in this process of de-monopolizing power. Throughout the 1960s, more than 400 years after the process began, the church made its next great leap in de-monopolizing access to God via the Second Vatican Council.¹⁵ Because of this document, and the ideological changes responsible for it, individual church-goers were allowed greater direct access to scripture. For instance, the Second Vatican Council switched the language of mass from Latin, which few people understand, to the local vernaculars. With the de-monopolization of access to God, the church's centralized authority is slowly eroding.

The effects of this erosion might perhaps promote better economic policies, if it allows lay persons and religious leaders to rediscover economic theory of the early Jesuits and Dominicans from the school of Salamanca. There is of course resistance to change. Older church leaders, like older people in all walks of life, are less likely to change their opinions of free markets or anything else for that matter. However,

¹³ We abstract here, of course, from the religious belief in the afterlife.

¹⁴ One of the issues the reformation doesn't address is the tie between church from state.

¹⁵ This meeting began under the auspices of Pope John XXIII on 11 October, 1962 and ended with Pope Paul VI on 21 November, 1965. Liberation theology began in the 1950s and 1960s (Boff and Boff, 1987). Thus, a reasonable hypothesis is that both of these movements were influential in inspiring the other, or that both emanated from similar forces active in Catholic circles during this epoch.

younger theologians may be more open to these ideas. At present rates it may take the Jesuit order another couple hundred years to return to its free market roots, and there is the possibility that it will never return. However, it is a good sign that the original doctrine has begun to reemerge (Chafuen, 2003; Woods, 2005) and is available to all. There should be a degree of comfort for religious people in general, and for Catholics in particular in to know that the early Jesuits developed the origins of the free market economy, and had an influence on modern economic thought.

From Free-Markets to Social Progressivism

Let us now consider how far removed from the laissez faire capitalism of the early Jesuits of the Salamanca era are the modern Jesuits in particular, and the Catholic Church in general. While the former championed free enterprise, this can no longer be said of the latter.

Ownership and property rights are essential to the proper functioning of modern society. These concepts influence lives on both large and small scales. They affect governments' public policy and interactions between private groups and individuals. Because property rights are so important to the societal infrastructure, it is understandable why the Catholic Church has much to say on these issues. The church's understanding of ownership and its stance on what can be owned are based on its doctrine of social justice.

However, determination of a single theory of Catholic social doctrine is all but an impossible endeavor, leaving the church's stance on certain issues convoluted. The Contemporary Catholic social thought relies on the writings of popes and other church scholars. These works consist, in the main, of the ten social and economic encyclicals and other important documents, such as *Gaudium et Spes*, *Justitia in Mundo* (Massaro, 2000, 56)¹⁶ and the “Letters” on the economy written by the various bishops’ conferences in many nations. From these works, the church derived a system of social thought that places the well-being of the community and the protection of the least fortunate as the center of its concern. As the institution of moral guidance for its one billion adherents, the Catholic Church's framework for social thought holds important implications for public policy, economics, and society in general. However, modern social thought does not follow from the work of earlier church scholars such as San Bernardo, Luis de Molina, Diego de Covarrubias y Levia and has lacked evolution in light of recent theory.

The basic tenets of contemporary Catholic social thought deal with the ideas of the dignity of all human beings, solidarity, and subsidiarity. From these basic tenets, the modern church derived several principles to guide its community of faith: defense of human dignity, the solidarity of humanity, charity, the concept of subsidiarity between the individual and the community, and distributism (Massaro, 2000, 167). These principles affect the church's conception and teachings about

¹⁶ The ten social encyclicals are mentioned in fn. 1, supra. *Gaudium et Spes*, *Justitia in Mundo* are not usually counted in this category.

economics, rights, and private property, three issues central to the formation of a modern society. These tenets and principles, especially the focus on charity, are compatible with the role of the church as a moral and religious institution. However, recent decades have seen the church expand its range and seek to influence the political and public policy realms of society (Massaro, 2000, 15). The church seeks these new efforts as a way to promote justice and now speaks on issues previously thought to be outside of its scope (Massaro, 2000, 16).¹⁷

The church's change in focus from a charitable institution to an entity working for "social" justice along with charity is an important departure. While charity involved the direct relief of poverty and other forms of suffering utilizing the voluntary giving of others in the community of faith, the focus on justice calls for others to recognize the "absolute obligation" for society to share the "benefits of God's creation" (Massaro, 2000, 19). This absolute obligation requires that the church work through greater institutions than its parishes in order to ensure that the least fortunate maximize their "human potential" (Massaro, 2000, 19). Justice, in this sense, is realized through the global recognition of issues and the determination of enduring resolutions to these problems (Massaro, 2000, 19).

Contemporary Catholic social thought can be described as a system of social justice. This concept is divided into three different systems of justice: "distributive justice, commutative justice, and contributive justice" (National Conference of Catholic Bishops, 1986, 2).¹⁸ Commutative justice deals with fairness in the associations between individuals and groups. The United States Council of Bishops defines commutative justice as the "respect for the equal human dignity of all persons in economic transactions, contracts, or promises" (1986, 2). In their view, contributive justice is the idea that "persons have an obligation to be active and productive participants in the life of society and that society has a duty to enable them to participate in this way" (National Conference of Catholic Bishops, 1986, 2).

Distributive justice is the concept that "the allocation of income, wealth, and power in society [must] be evaluated in light of its effects on persons whose basic material needs are unmet" (National Conference of Catholic Bishops, 1986, 2). Therefore, it is a duty of the community to ensure that everyone has the basic materials for survival. Distributive justice is a form of economic egalitarianism achieved through taxation and income and property redistribution, thus reaching greater equality of both opportunity and outcome.

Some of the most important works on distributive justice and property rights were written by St. Thomas Aquinas. In his writings, Aquinas agreed with the

¹⁷ Although the Church has decided to speak on issues previously thought outside of its scope, it has failed to garner any relevant knowledge in the areas of economics and political theory. Rather, it continues to rely on scripture, its definition of natural law, its own tradition, and its examination of social institutions (Massaro, 2000, 82).

¹⁸ For a critique of the National Conference of Catholic Bishops, 1986, see Block, 1985, 1986

commentaries of earlier theologians such as John Chrysostom and Basil the Great that all things should be “held in common” (Massaro, 2000, 98). However, Aquinas moderated these earlier statements. Due to the “fallen nature of humanity,” it is impossible for goods and resources to be apportioned equitably or held in common (Massaro, 2000, 99) Therefore, Aquinas posited that some amount of property rights were needed because of “. . . the likelihood of disputes over shared property” (Aquinas, ii-ii, q. 66).

While the church's current social thought evolved through the ten papal social encyclicals, the Thomistic concepts of ownership and use have had great influence on these documents (*Laborem Exercens*, 1981, 14). In these encyclicals, the Catholic Church developed the concepts of justice and criticized modern social systems. It recognizes the importance of private ownership, which offers the “most efficient and the most orderly of property arrangements but also gives us an incentive to be productive and to care for the goods God has created” (Massaro, 2000, 132). While these encyclicals show that the popes defended private property rights as fundamental to human nature and a part of natural law, they also severely limited the rights that owners have over their property. The church holds that “widespread distribution of property can help avoid excessive concentration of economic and political power. For these reasons ownership should be made possible for a broad sector of our population” (National Conference of Catholic Bishops, 1986, 2).

Common good

The “common good” of society demands that property rights be limited by public involvement in the planning or ownership of certain sectors of the economy, according to Pope Paul VI.¹⁹ He stated, “Private property does not constitute for anyone an absolute or unconditional right. No one is justified in keeping for his exclusive use what he does not need, when others lack necessities” (*Populorum Progressio*, 1967, 23). This concept is referred to as a “social mortgage” on property. In *Sollicitudo rei Socialis*, Pope John Paul II states that, “. . . the goods of this world are equally meant for all. The right to private property is valid and necessary, but it does not nullify the value of this principle” (Massaro, 2000, 137). The social mortgage can be analogized to a mortgage on a house: since ownership of housing is conditioned on our mortgages being completely paid, so is our ownership of material goods conditioned “on fulfilling our social obligations to the rest of God's creatures” (Massaro, 2000, 137). This means that what we consider “ours” cannot be used to harm the least fortunate or prevent them from “full participation in society” (Massaro, 2000, 137).

One of the main contributors to contemporary Catholic social thought and distributist theory is Rawls (1971), who expounds upon the concepts of social and

¹⁹ The “common good” is defined by the New Catholic Encyclopedia as “the sum total of those conditions of social living whereby men are enabled more fully and more readily to achieve their own perfection” (vol. 4, p. 16-22)

distributive justice. This philosopher posited that “[s]ocial and economic inequalities are to be arranged so that they are both to the greatest benefit of the least advantaged . . . [and] attached to offices and positions must be open to everyone under conditions of fair equality of opportunity” (Rawls, 1971, 302). He proposes a hypothetical individual who designs a “just” society without knowledge of self, others, or societal rules, as if covered in a “veil of ignorance.” He posits that the individual, when faced with the choice of how to form a just society, will choose a type of justice that will benefit the least fortunate. This theory is known as the difference principle. The importance of Rawls' work to Catholic social thought is not at all incompatible with the papal encyclicals, but it is a gigantic departure from previous scholarly activity undertaken by church fathers, particularly during the Salamanca period in the sixteenth century.

The Catholic Church's reliance on Rawls' philosophy and its interpretation of the role of property rights shows disregard for the Church's own scholarship and for current research and philosophy. The work of the late scholastic priests at the University of Salamanca provides a vivid contrast to the Catholic teachings on social thought and property rights. The late scholastics maintained that neither Jesus nor natural law denounced the acquisition of private property or required a proportional, let alone an egalitarian, distribution of goods. In their writings, the scholastics argued that privately owned goods were put to better use than those goods held in common. Tomas de Mercado recognized the issues associated with common ownership when he acknowledged that “common ownership is counterproductive because people love most those things that belong to them. . . . Love always involves the word mine, and the concept of property is basic to love's nature and essence” (Chafuen, 2003, 34). In addition, Mercado pointed to private property as the only legitimate tool to deal with scarcity when he stated that “[i]f universal love will not induce people to take care of things, private interest will. Hence, privately owned goods will multiply. Had they remained in common possession, the opposite would be true” (Chafuen, 2003, 35) Since these privately owned goods were used better, private industries often increased production, which benefited the community. Unfortunately, the benefits of privatizing goods seem lost on contemporary Catholic scholars and leadership.

Late scholastic theories on ownership also expound on the relationship between self-interest and property (Chafuen, 2003, 35). This relationship is essential to understanding economics and the function of society. Pope John Paul II states that in Christian teachings, it is understood that private property is always secondary to the “right to common use” of goods as argued by Thomas Aquinas in *Summa Theologiae (Laborem Exercens)*, 1981, 14). However, Father Juan de Mariana criticizes the common use of goods.²⁰ Mariana noticed that since the Jesuits are provided everything in common, they tend to spend more extravagantly than if their

²⁰ The 2009 co-Nobel Prize winner in economics Elinor Ostrom (1990) defended common ownership.

possessions were owned separately. He states, “. . . it is natural for people to spend much more when they are supplied in common than when they have to obtain things on their own. The extent of our common expenses is unbelievable” (Mariana, 1854, 604). While Aquinas's contribution to Catholic philosophy cannot be denied, Mariana showed that even those who are supposedly aware of the true nature of goods misuse communal property and become gluttonous.

From the opinions expressed in the social encyclicals, it is apparent that one of the main areas of contention over property rights is the issue of use. The Late Scholastics also addressed this, but their views have been lost or simply ignored by Jesuits and other Catholic theologians who follow the liberation tradition. For example, Diego de Covarrubias y Levia spoke about the ownership and use of a plant that produced medicinal fruits (Chafuen, 2003, 41). The plant is valued for medicinal purposes, which allows its owner to demand high payment for its use. However, the scholastic warned that “it is false to conclude that, therefore, the owner has no right to prevent other people from using his goods” (Chafuen, 2003, 41). Scholastic Domingo de Soto agreed with Levia's assessment of ownership and use, but added the condition that state authority may employ law to deprive individuals of their property (Chafuen, 2003, 41). The state may do this in order to defend itself and administer criminal justice (Chafuen, 2003, 41). While this condition allows for the expropriation of private property, it does not embrace or demand the common usage of property.

The modern church often argues that because ownership and use, while not exclusive of each other, are different, common usage is not in contention with private use. Supporters of this claim even cite the writings of some of the scholastics. But while the scholastics recognized the difference between ownership and use, they did not support the common use of private goods. Scholastics such as San Bernardino and Sant' Antonino often recognized the importance of private property because of the efficiency that the institution affords to society and its benefit to the welfare of the community compared to that of communalism (de Roover, 8-9). They recognized that a communal society would be plagued by “inefficiency, involve insuperable managerial difficulties, and create a state of perennial anarchy or dislocation” (de Roover, 9).²¹ The efficiency and benefits of private property as seen by the scholastics can be observed through the modern market system, benefits that the church seems to ignore.

The Rawls episode

What was Rawls' influence on modern Catholic social thought? Rawls (1971) created a theoretical system by which the outcomes of actions and decisions that affect the distribution of goods and power will always favor the poorest. Thus, while

²¹ The term “anarchy” as used by de Roover had a different meaning for the late scholastics than it does in contemporary usage. In this context, anarchy would consist of a community lacking social constraint and respect for private institutions such as property.

this philosopher does not deny that individuals may acquire property, he conditions the appropriation by stating that the least well off must be left no worse off than under any other arrangement.

But why should the people at the low end of the wealth distribution accept a position that leaves them merely better than they were when they cannot be sure that there is not another system that would improve their lot in life even more? In addition, why should the well off accept a position under which they lose?²² These critiques of Rawls (1971) by Nozick (1974), translated from the secular to the religious realm, were in effect the speaking out of the earlier scholastics of the Salamanca era against their modern Jesuit successors. That is, if Rawls represents a non religious version of liberation theology, then Nozick plays a similar role regarding the Jesuits and Dominicans of the sixteenth century.

Nozick's position creates a situation that is favorable to the acquisition of private property and the private control of its use. Under this system, the efficiency that private property affords is realized through private planning, and research and development occur without the need of communal approval (Nozick, 1974, 177). There is also a market safeguard in operation that tends to obviate any one economic actor from "cornering" the market. It is difficult to acquire all of something because the value and cost of such scarce resources increase with every unit sold. Rawls' theory lacks the ability to claim such efficiency or the ability to withstand actual real-world observation. Thus, it is acceptable to say that modern property rights philosophy has moved past Rawls. Unfortunately, the Catholic Church tends to be reactionary and defiant of social changes that challenge its views and teachings.

But perhaps the most devastating critique of Rawls (1971) by Nozick (1974) was the latter's "Wilt Chamberlain" example. Assume the egalitarian wealth distribution required by the "social justice"²³ philosophy. Now, Wilt charges a modest amount of money for people to see him dunk a basketball. Tens of thousands willingly pay for this privilege. At the end of the day, Wilt is richer by a large amount of money, everyone else has less.²⁴ If equality is to be once again established, Wilt must return all the monies he has earned in this way, declaring all such trades null and void, and/or this voluntary commercial activity must be prohibited at the very outset. In other words, Rawls' (and the modern Jesuit's) philosophy, is incompatible with human freedom.

²² Murray (1984) makes an eloquent case that the poor can actually be harmed by the largesse of "welfare.

²³ For devastating critiques of the liberation theology's "social justice," see Block, 2007; Flew, 1995; Hayek, 1976; de Jasay, 2003; Kilchrist and Block, 2006; Mueller, 2003; Nash, 1983; Sowell, 1999; Vogelgesang, 2004; Woods, 2002, 2005.

²⁴ Of course, all such trades are necessarily mutually beneficial in the ex ante sense. The masses may have less cash, but, at least in their view, they are made better off, because they value the sight of Wilt doing his thing on the basketball court more highly than the monetary cost to them of his dunking prowess.

Throughout its history, ownership of goods and resources has been a contentious issue for the Catholic Church. While the earliest theologians favored the socialization of all goods, the scholastic tradition of Salamanca offered reason in addition to theological assumptions for the very opposite conclusion. These late scholastics recognized the intrinsic value of private property in the formation of a well-ordered society and in support of God's plan for humanity. Unfortunately, the modern church, along with the contemporary Jesuit Order decided to ignore the work of the late scholastics and continued to use outmoded theories of ownership and faith, along with a large dollop from egalitarians such as Rawls. Due to its reaction to new theories, the church has stunted its own efforts to improve the lot of the least fortunate.

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