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## SOLIDARISM: AN IDEA WHOSE TIME HAS COME

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*One of the chief obstacles to the formation of Christendom is the attitude of modern man toward economics, an attitude which views economic activity as a key to material aggrandizement rather than as a primary component of a harmonious social order. It is difficult even for Christians in these times to step outside the conflicting views of capitalists and socialists in order to objectively evaluate the common characteristics of each in an effort to find out where both went wrong. In the study which follows, Rupert J. Ederer delineates the main lines of a socio-economic system called solidarism which does step away from the typical attitudes and which clearly provides a means of reintegrating both human and natural resources in the service of the Gospel. In an analysis of certain relevant papal encyclicals as well as the writings of the German economist Heinrich Pesch, the author reveals the link between the two and makes a convincing case for solidarism itself. The article is especially significant, as is suggested below, since the year 1976 marks the golden anniversary of Pesch's death.*

**1976** IS A YEAR OF SIGNIFICANT ANNIVERSARIES. ASIDE FROM BEING THE BICENTENNIAL anniversary of our nation's independence, it marks the less noted bicentennial of the publication of Adam Smith's *Wealth of Nations*. It also marks the not-at-all noted fiftieth anniversary of the death of the greatest economist who has lived until now.

The fact that the German Jesuit economist Heinrich Pesch (1854-1926) is virtually unknown to the men of our time, and that includes most economists, is a commentary on our times and its economists far more than on this great man's work. It reflects among other things on the post-Christian condition of Western civilization, the remnants of which are even now melting down in the crucible of history. Specifically, the neglect of Pesch reflects the positivistic direction which the social sciences have regrettably taken, a direction that is due originally to the influence of Auguste Comte and more recently and directly of Max Weber and, in economics, Lionel Robbins. It is this direction which explains Schumpeter's dismissal of Pesch's economics as "Normative" and "not a piece of analysis..."<sup>21</sup> Social science, according to the positivists, ought to be "value free".

It remains a fact, however, that the economists whose efforts have really mattered throughout the history of our science have been "normative" economists, in fact, system-building economists. Could anyone deny that the three most influential economists to date, Adam Smith, Karl Marx, and John Maynard Keynes, were not merely analysts but system-builders? Each erected his system on a particular set of values, i.e. norms, and was therefore a normative economist above all else. For these men, analysis was merely a tool for constructing a system which they felt would be superior to alternative systems of economics. And that was as it should be since economics is a practical science or it is nothing, becoming otherwise, at best, a sterile game. Pesch's trouble was that the particular set of norms on which

he erected his system of economics was basically Christian, and he was therefore out of step with a society which was already basically post-Christian. Such an ambience could beget a Lenin and a Hitler, but it was not likely to give ear to the likes of Heinrich Pesch, S.J. A proposal to reconstruct a social economy on norms which were in harmony with Christian principles could at best be regarded as hopeless romanticist medievalism and, at worst, as a sinister attempt to revive Jesuitry and popery in an age long since too “enlightened” to tolerate such reaction, especially when there were obviously “better” alternatives. Now that our world is fast reaching the point at which it is running out of tolerable alternatives, it may soon find itself in a position where it will be willing to at least examine Pesch’s neglected system of economics. The Keynesian alternative has about run its futile, if not disastrous, course; and the Marxian one can maintain itself only by incredibly brutal and coercive tactics. Capitalism, in its original Marxian sense, is extinct in all but name. Even its name has become unacceptable to many peoples on our planet who have felt only capitalism’s exploitative sting without ever eating of its fruits.

Adam Smith’s *Wealth of Nations* provided a credo for that discredited capitalism among whose unhappy consequences we must eventually include Marxism, which, in its various guises, may even now be preparing Western society for its last decisive shove over the precipice. Nevertheless both Adam Smith and Karl Marx are feted as men who wrote “great books”, and indeed *Wealth of Nations* and *Capital* are great in the same sense that Mein Kampf was a great book. But as far as their grasp of the ultimate values and realities is concerned, they represent abject nonsense. The condition of our world at present, a world partly shaped by these men and their books and by their developed systems of economics (not merely sterile analyses), provides the best evidence of their folly.

Like Adam Smith and Karl Marx, Heinrich Pesch outlined a kind of economic system based on an economic philosophy. Like them, Pesch made human labor or, more broadly, human industry, the dominant factor in the economic order. Unlike them, however, Pesch based his economic philosophy, which he called solidarism, on a set of consistent principles which would prevent human labor from being ground to a proletarian mash by capitalistic class egotism on the one hand, and, on the other, by cannibalistic, centralized state bureaucracy.

Germany, where Heinrich Pesch delivered his

treatise, was in a period of intense crisis at the time and paid little attention to his proposal. The sheer physical magnitude of the man’s work—some 4000 pages including much fine print and copious footnotes—may be cited as a handicap. Among other things, the *Lehrbuch der Nationalökonomie* was never translated into other languages. Given the mountains of trivia and worse which publishers in our time see fit to print and even to translate, the mere magnitude of this work ought no longer to be an obstacle. The fact is that the world was not yet ready for the eminent common sense contained in the five volume work which merits the designation, *Summa Economica*. That, as suggested, is at least partly because Pesch’s economics is in total harmony with Christian principles. It may therefore be termed “Christian economics” in the same sense as scholastic philosophy is referred to as Christian philosophy, because it is entirely consistent with basic Christian principles. What is more, unlike our generation of “value-free” social scientists, Pesch did not hesitate to make reference to such principles and to their Author. He started his magnum opus by reminding economists that many truths and principles which their science must build on are derived from other sciences. That includes those which define man’s relationship to his fellow men. Accordingly, he starts off with a chapter entitled *Man, as Lord of the World, According to God’s Ordinance*. Needless to say, the God he is talking about is unlike that disinterested deity of Adam Smith which leaves the world to go spinning on its mechanical way as directed by an “invisible hand”. It is equally unlike the false god proposed by Marx who, while protesting his atheism, was unconsciously substituting a system of thought which is in every sense of the word an *ersatz* theology. The God of the *Lehrbuch* is the living God taken over from the Hebrew tradition, who revealed Himself to the world by the Incarnation of His Son two thousand years ago. Throughout his five volumes Pesch made no attempt to disguise his total allegiance to Christian principles or his conviction that society can be successfully reordered only on the basis of those principles. For example, the closing paragraph of the third volume reads:

When the sun sinks in the evening, it leaves its reflection and some of its warmth behind it, and without these all life would have to perish from the face of the earth. For all too many souls, the night of unbelief has taken over. Even so, mankind still continues to benefit from the rich heritage of Christendom. In fact, not a single really valid point made by those who would reform social policy and promote various welfare schemes

does not have its origin in the Christian concepts of justice and charity. That itself warrants a joyous and secure hope that night will again soon give way to daylight where the sunshine of Christendom will return with its full splendor and enlighten all souls and warm all hearts. Then Christendom which the Christian faith so beautifully characterizes as the Sol iustitiae, the Fons amoris, the Vinculum caritatis, will again receive the recognition and grateful reverence which it deserves, as well as the humble admiration to which it is entitled.<sup>3</sup>

There is no shyness about value judgments here. At the same time such hopeless commitment to Christianity helps to explain Pesch's rejection by a generation of social scientists who, wittingly or not, go whoring after all manner of counterfeit values, even while protesting all of the way that they are value-free.



#### PESCH HEARD BY THE CHURCH

If Germany preferred to listen to other voices during the 1920's, and if the world at large and its scholars, despite their alleged openness to all new ideas, turned a deaf ear to Heinrich Pesch, the Catholic Church did not. Pius XI embraced the basic principles contained in the *Lehrbuch* and made them the cardinal principles of the encyclical which proposed: '...Reconstructing the Social Order and Perfecting It Conformably to the Precepts of the Gospel ...'<sup>4</sup> That was the stated purpose of the great encyclical *Quadragesimo Anno*, which appeared in 1931 just five years after the death of Heinrich Pesch. It is this encyclical which was and continues to be the basic blueprint for the reconstruction of the social order according to Christian principles. It was not superseded by the encyclicals which followed, notwithstanding the claims of some who seem obsessed with sniffing out modernity as though whatever is new renders null and void whatever is older. We are dealing with a landmark encyclical in the sense that what came before, specifically the pioneer social encyclical of Pope Leo XIII, *Rerum Novarum* (1891), led up to it, and what came afterwards built upon it. *Quadragesimo Anno* contains the basic building blocks of Christian social order which were hewn out of the rock of Sacred Scripture (on which the Roman Catholic Church rests) and the granite of scholastic phi-

losophy (which was given specific shape to the teaching of the Church) by two pioneer social thinkers, Bishop Wilhelm Emmanuel von Ketteler and Heinrich Pesch, S.J. Pius XI drew on the scholarship of Heinrich Pesch as Leo XIII, his predecessor, had drawn on the great social teaching of Bishop von Ketteler (1811-77).

The significant pivotal principles which Pope Pius XI added to the basic social teachings of Pope Leo XIII and which came from Heinrich Pesch were: the principle of subsidiarity, the principle that social justice and social charity were the ultimate regulating principles of a sound social order rather than free competition and self-interest, and the vocational order as the basic principle for organizing the economy. While these three ideas were in varying degrees implicit in what Leo XIII had taught, they were not specifically formulated until Pesch did this in his *Lehrbuch*, whence Pius XI made them official social teachings of the Catholic Church.

The vocational order, sometimes referred to as the industry council, and also as the corporate order,<sup>5</sup> along lines which Pesch developed, is the Christian alternative to what Pope Pius XI called "this grave disorder which is leading society to ruin..."<sup>6</sup> He was referring to the fact that, "the demand and supply of labor.. and the bargaining between these parties [of capital and labor] transforms this labor market into an arena where the two armies are engaged in combat." An organization which incorporates all who work in the same industry, whether they are workers or managers or owners, into the same body is part and parcel of Pesch's solidaristic system. He wrote:

Vocational organization is required in all times, and its absence represents a defect in social and economic organization. The particular form which this takes may vary in different eras. The system of guilds belongs to the past. Vocational order must develop anew in conformity with the needs of our own time.<sup>8</sup>

Note the similarity to what we find in *Quadragesimo Anno*:

But there cannot be question of any perfect cure, except this opposition be done away with, and well-ordered members of the social body come into being anew, vocational groups namely, binding men together not according to the position they occupy in the labor market, but according to the diverse functions which they exer-

cise in society. For as nature induces those who dwell in close proximity to unite into municipalities, so those who practice the same trade or profession, economic or otherwise, combine into vocational groups.<sup>9</sup>

The Pope regarded the principle of vocational organization as “if not essential to civil society, at least its natural and spontaneous development.”<sup>10</sup>

The principle of subsidiarity is also a natural principle, or else persons so far apart in time and cultures as Cicero and Abraham Lincoln would not have appealed to it long before Pesch included it in his plan for social reorganization.” Pesch reaffirmed the natural purpose of the state as being “set up to do for the welfare of individuals, families, and lower social bodies whatever they could not provide for and do for themselves. The state must complement, not stifle.”<sup>12</sup> In *Quadragesimo Anno* we find this remarkably similar statement:

...None the less, just as it is wrong to withdraw from the individual and commit to the community at large what private enterprise and industry can accomplish, so, too, it is an injustice, a grave evil and a disturbance of right order for a larger and higher organization to arrogate to itself functions which can be performed efficiently by smaller and lower bodies. This is a fundamental principle of social philosophy, unshaken and unchangeable, and it retains its full truth today. Of its very nature, the true aim of all social activity should be to help individual members of the social body, but never to destroy or absorb them.<sup>13</sup>

The principle came to be known as the “principle of subsidiarity” after it appeared in *Quadragesimo Anno*.

Finally, Pope Pius XI identified social justice together with social charity as the “true and effective guiding principle...” for human society.<sup>14</sup> These virtues were to replace free competition on the one hand and, on the other hand, “the economic supremacy which within recent times has taken the place of free competition...” Subsequently, in 1937, he defined social justice in the encyclical *Divini Redemptoris* (Atheistic Communism) where he wrote: “Now it is of the very essence of social justice to demand from each individual all that is necessary for the common good.”<sup>15</sup> Pesch had written in the second volume of his *Lehrbuch*: “Social justice demands the fulfillment of all obligations and the realization of all rights which have the good of society as their object.”<sup>16</sup> He

went on to explain that social justice embraces both legal and distributive justice and is juxtaposed to commutative justice which deals with the rights and claims of individuals. It is clear from the text that Pesch understood “legal justice” to include also the obligations of the natural law, and this third cardinal principle for social order is therefore also, like the other two, a natural principle. His significant addition to the threefold distinction of the virtue of justice into commutative, distributive, and legal justice is his use of the term contributive justice which, he says, together with distributive justice rounds out the complete notion of social justice.<sup>17</sup>

Pope Pius XI used the term social charity along with social justice, stating that, “social charity should be, as it were, the soul of this order”<sup>18</sup> While Pesch did not use the term social charity as such, his chapter heading was The social virtues: justice and charity. As he went on to explain them it is clear he was referring to their specific application to the common good, not merely the good of one or the other individual person. Hence, he obviously meant social justice and social charity. He stated that the two virtues, while different, complement one another, and that charity must fill in certain gaps left by justice. Together they provide the firm foundation for social order.<sup>19</sup>

What of the term solidarism, which Pesch used to designate the philosophical principle underlying his system? Pope Pius XI did not use the term solidarism as such, even while drawing repeatedly on the principles which Pesch had made part and parcel of what he called the social or solidaristic system of human industry. One can only surmise why the Pope may have avoided employing the same term even while proposing the self-same principles for social order. As spokesman for the universal Church, he was obviously concerned with basic principles rather than with specific labels which might be more appealing to one culture, e.g., the Germanic, than to others. Whatever his reasons, the fact remains that in the second paragraph of *Quadragesimo Anno* we find the term solidarity used in a totally germane manner. What is more intriguing is the repeated use of the term by successive pontiffs, Pope Pius XII and Pope John XXIII, in their social teachings, and by the present Pope, Paul VI, who uses the term almost habitually. At the risk of appearing pedantic it may be worth pointing out that the word solidarity occurs no less than nine times in the encyclical *Populorum Progressio* and ten times in the Apostolic Letter *Octogesima Adveniens*. It also occurs frequently

in the Pope's weekly addresses before audiences and in other allocutions, all of which may be very coincidental. On the other hand, it does suggest that the German Jesuit economist had exposed the kernel of a certain very vital idea. This brings us finally to an examination of just what Heinrich Pesch meant by solidarity as opposed to individualism and collectivism.

## SOLIDARISM DELINEATED

Solidarism was the term Pesch used to express the underlying organizational principle of his economic system. The latter he alternately called the solidaristic and the social system of human industry.<sup>20</sup> He juxtaposed solidarity to individualism on the one hand and collectivism on the other. The social system of human industry he juxtaposed to capitalism on the one hand and socialism on the other. Capitalism had adopted individualism as its life principle, i.e., its soul, as socialism adopted collectivism. In Pesch's own time, the former was already fading from the scene while the latter was threatening to take its place. He rejected both as incompatible with Christian principles of social order and proposed, instead, what has come to be known as a "middle course" between these two false systems. Indeed, he demonstrated, as Bishop von Ketteler had before him, how economic individualism or liberalism had to lead eventually to its own destruction and drift into collectivism. Pesch, of course, could already demonstrate this drift a posteriori whereas von Ketteler was still forced to develop the thesis on an a priori basis.

It is important to understand at this point that middle course here does not imply some sort of muddled, pragmatic compromise between two evil systems. Rather it means the retention of what is valid in each and the addition of what is missing to develop a complete social system that is consistent with basic Christian principles. Whereas individualism erects free competition into an ultimate norm for regulating the economy, collectivism tries to abolish competition as a wasteful dissipation of valuable economic energies. Solidarism accepts competition as a legitimate force but confines it within bounds dictated by the common good, in other words, by the virtues of social justice and social charity. Pesch argued that, left to itself, competition would destroy itself by a kind of social Darwinism—something which events have since proven.

Whereas individualism makes the right of private

property virtually an absolute right, collectivism would abolish the ownership of the material means of production completely because of the obvious and glaring abuses which resulted from the individualistic notion of private property. Solidarism treads a middle course by making the right to own property private, while insisting that the use of property must always be social, meaning subject to the rights of one's neighbor and the requirements of the common good. In other words, like competition, the right of private property is regulated by the virtues of social justice and social charity.

Whereas individualism suggests that the state ought to remain quiet as, more or less, a nightwatchman, collectivism entrusts to the state total control of the economy and, even in a larger sense, of all of society—hence the total or totalitarian state. Solidarism defines the legitimate role of the state via the principle of subsidiarity, as doing those things which the individual, the family, and intermediate organs of society cannot do so well or do at all.

Whereas individualism gradually abolished all intermediate organs of society, since it viewed society as merely an aggregation of self-seeking individuals who were accidentally thrown together, collectivism seized upon this emergent chaos as the pretext for forcibly arranging such socially irresponsible individuals into something like a regimented ant colony. Now everyone was totally in the service of the colony's needs without legitimate goals of his own. Solidarism advocates the restoration of intermediate bodies which can shoulder a large share of the regulative responsibility and do so in a more efficient manner. They are not only closer to the scene, but they are also not overwhelmed by the humanly impossible task of trying to oversee an entire national economy as were the mercantilist states of old, and as are the neo-mercantilist socialist states of our own time. Considered from the standpoint of justice, individualism is content with commutative justice, while collectivism is preoccupied with distributive justice. Solidarism insists on both of these, but it adds contributive justice which embraces not only what is mandated by positive legislation, but also those requirements of the common good which transcend the capacity of lawmakers, but which good social order nevertheless naturally requires.

We may sum up now what Heinrich Pesch meant by solidarity and the solidaristic or social system of human industry which is based upon it. His system rests

in three fundamental principles. First, man is the lord of the world, and nature and all material resources are at his disposal for meeting his temporal needs. Of what economists have come to call the primary factors of production—man, nature, and the produced means of production or capital<sup>21</sup>—only man is more than a mere instrument or object of production. He is also the subject as well as the goal of all economic activity. Other factors like land, natural resources, and capital, are merely instruments in his service. This principle stands squarely opposed to what has prevailed in Western society during the past half-millennium, during which time capital came to be the dominant factor of production, and man found himself reduced to its service in an increasing degree. Under capitalism as understood by Karl Marx, the political and economic power in society, and, in a broader view, the whole social status of man, were determined by how much capital he possessed or had subject to his control. In earlier, pre-capitalistic eras such things were determined by how much land or mineral resources, forests or cattle, a man had. It bears repeating, however, that while it is the central theme of socialist ideology to criticize the kind of society in which capital comes to occupy this central position, socialist societies nevertheless shamelessly exploit human beings precisely for the sake of capital formation. In fact they do so in a manner far exceeding in harshness the exploitations by 19th century capitalist tycoons, by 18th century plantation owners, or, for that matter, by 14th century feudal lords.

According to the solidaristic system's second fundamental principle, it is man's labor which is the decisive, active factor in rendering nature and material resources capable of satisfying man's temporal needs. The system thus steals the thunder of Adam Smith's economic liberalism and Karl Marx's socialism. The former extols labor as the determinant of the wealth of nations, while at the same time abandoning the workingman to the vastly more powerful capitalist employer through the so-called forces of the free market. The latter speaks endlessly about the working class and poses as its champion while at the same time grinding it mercilessly beneath the heel of an all-powerful tyrant state. For Pesch, human industry is both a right and a responsibility, as it is the ultimate determinant of man's welfare in the temporal order.

Finally, the working human person becomes effectively the lord of the world inasmuch as he works with his fellow human beings in society. That is, he cooperates with other working human persons by specializing (divi-

sion of labor) and by combining his talents and energies with those of his fellow men. He does this always with due regard for the rights of his fellow man and of society as a whole, in other words, with a view to the common good. Only in this way will the working human person be the principal and effective determinant of the nation's economic welfare.

Such a system of human industry is social because, as Pesch stressed, it fosters the socialization of man rather than of the material means of production, as the Communists try to do.<sup>22</sup> His system involves a three-fold solidarity. First, there is the solidarity of all mankind, because all men have a common Father and are, therefore, brothers. That common Father represents not only their common origin, but also their common destiny. That is why, ultimately, there exists a universal bond of solidarity embracing all mankind, and that is the reason for the existence of an obligation in charity which must apply among all men and at all levels of social relationship. If men lose sight of this, Pesch said, they will devour each other both within and among nations. A brief reflection on our present post-Christian condition suggests that his voice was, among other things, prophetic. Second, there is the solidarity of members of the same nation, because these are not a mere haphazard collection of individuals who happen to live within the same national boundaries. A nation represents a moral organism possessing unity and bound by a commitment to a common purpose more limited in its application than the common purpose of all of mankind. At stake here is the national welfare, a welfare which embraces, but is not restricted to, the economic well-being of the nation. The latter is served by dutiful application of one's talents and energies and by care not to interfere with the legitimate strivings of others or the good of society as a whole.

Finally, there is the solidarity of all who work in the same industry or occupation. It finds expression in vocational orders which are to embrace all who work in the same industry or occupation whether they are workers or managers or owners. These have a common interest—the good of their industry or occupational group—which transcends whatever differences they may have as employers or workers. According to Pesch, such orders are the true organs, and society represents the complete moral organism, while the individuals who are included in the orders are members of the organs. Without such organization society is either a dismembered, atomized, fragmented body lacking true unity, or else an ant colony

where the members must totally submerge their own destinies in the common destiny of the state. If there was any suspicion that Pesch was making rash, apriori judgments in his own time when the wreckage was not yet so apparent to the unperceptive, such suspicion is dispelled by the present desperate condition of society the world over. In the so-called free world, destructive inflation and demoralizing unemployment rampage side-by-side, as do dehumanizing poverty and wasteful, vulgar extravagance. In the socialist world millions upon millions of people are oppressed by a kind of slavery that is worse in its nature and in its dimensions than anything the world has known since the pagan, pre-Christian era. Thus, pre-Christian and post-Christian meet on the stage of history.



#### SOLIDARISM: THE PRACTICAL SOLUTION

There may be the temptation to dismiss this notion of solidarity and solidarism as pietistic twaddle incapable of providing the hard solutions required for our time. It is everything but that. Solidarism is both the nub and the rub in this matter of restoring social order: the nub because there can be no question of coming to grips with the problem without serious efforts at restoring human solidarity at all levels of society; the rub because, though a simple concept, it is at the same time difficult to put into practice given the general human condition and the immense complications wrought by the secularization of the past several centuries. Pesch insisted that man cannot become the lord of the world except by cooperation with his fellow men at all levels of society. Pope Pius XI said as much in an encyclical that was still primarily concerned with the internal disorder which plagued the various national economies. In *Quadragesimo Anno* we find this reminder:

For unless human society forms a truly social and organic body; unless labor be protected in the social and juridical order; unless the various forms of human endeavor, dependent one upon the other, are united in mutual harmony and mutual support; unless, above all, brains, capital and labor combine together for common effort, man's toil cannot produce due fruit.

That was the encyclical in which he spoke of "the right solution of the difficult problem of human solidarity, called the social question ...."<sup>23</sup>

By the end of World War II the problem began to escalate until it took on grave world-wide dimensions so that Pope Paul VI pleaded with exceptional urgency for "solidarity in action at this turning point in human history." The Pope warned that: "The same duty of solidarity that rests on individuals exists also for nations."<sup>24</sup> It may be well to specify briefly just how solidarity at the three levels stipulated by Pesch can be the critical element for solving the problem of social disorder. Starting at the grass roots level of the industry or occupational group, it is clear that when solidarity between labor and management breaks down completely, i.e., in a strike, labor loses wages and the firm loses profits. A firm or an industry that is ravaged by habitual strikes cannot long survive. Even short of such complete breakdown, however, in situations where the parties extend only a kind of grudging toleration to each other so that there is, for example, the ever-present threat of strike, output and productivity are not what they should and could be and the occupational group in question is subject to debilitating malaise. The American steel industry went through such a trial recently and offers an object lesson for what we are talking about here. Although there was no major nationwide strike for many years, the threat of strike hovered over the industry to a degree that customers either went elsewhere, or they began stockpiling steel many months before labor agreements were due to expire. As a result, a very erratic pattern developed, and even though the feared strikes did not materialize, mass layoffs occurred because of the scare-buying pattern that came to prevail in the industry. To salvage their industry, the two parties finally negotiated a historic agreement in 1973. They agreed to submit their contract to arbitration for settlement rather than strike, if they themselves could not arrive at a settlement within a set time. Since then the industry has stabilized to a remarkable degree, and spokesmen on all sides are effusive in their praise of the new found industrial solidarity.

As far as solidarity among the members of a single nation is concerned, we may likewise begin by considering the effects of the most extreme breakdown, civil war. Obviously a nation in civil war is not a nation that is at its best in providing for the temporal welfare of its citizens. The scars of the Civil War which rent the unity of the United States half-way through its history are

still apparent a century later, not to mention the physical devastation and strain on the national economy which occurred during the War itself. The tragedy in Lebanon now before our eyes provides another grim object lesson of what happens when national solidarity breaks down completely. The lesser breaches in solidarity within a nation as in Northern Ireland, in South Africa, and in some political turbulent South American nations offer lessons that are no less valid. Indeed, the abject failure by the Soviet Union to grow enough food to meet its own needs, even though it presides over the world's largest land mass and some of its most fertile soil, suggests that the unity of the ant hill does not add up to human solidarity. That is because, as Pesch insisted, it is people, not the means of production, that need to be socialized. Mainland China is no exception. Despite propaganda which proposes for our belief that this is one ant hill society which does a very effective job of meeting its people's temporal needs, the per capita income of Mainland China is still at an abysmally low level. Moreover, what Mao accomplished must be considered relative to the long period of near chaos which prevailed in China prior to his takeover. Some improvement could have been expected by the mere imposition of internal quiet. A far better indication of what the Chinese people are capable of is the relative well-being and harmony in Taiwan which may be said to exemplify a high degree of national solidarity rather than socialism. Elsewhere, the smooth and durable efficiency of Switzerland as a national economy must be ascribed at least partly to the relative harmony which obtains within that nation among its citizens and classes.

Finally, at the international level, the proof of what solidarity among nations can accomplish is also best illustrated by what happens when that solidarity breaks down completely in warfare among nations. Pope Pius XII perhaps summed up the result of such breakdown in solidarity best when, on the eve of World War II, he said: "Nothing is lost by peace; everything may be lost by war."<sup>25</sup> At best, war brings stringency and economic austerity; and at worst, there is complete economic breakdown with starvation, malnutrition, pestilence, and

general desolation. But even short of actual warfare, lack of real solidarity among nations can have devastating effects. Our world has been existing in such a condition, more or less, since the end of World War II. The lack of real solidarity among nations has led, among other things, to annual military expenditures now approaching \$300 billion by all of the nations of the world together. Even the developing nations, who still lack many of the basics for decent human living, are spending in the area of \$40 billion a year on armaments. Commentary on more desirable uses for these fantastic expenditures would be superfluous. We have here a poignant indication of what mankind subjects itself to when that critical ingredient for social order, solidarity, is missing. On a more restricted level we have the example of the disastrous effect of war and war preparedness on the Israeli and Egyptian economies respectively, not to mention the general aura of disquiet and insecurity which turmoil in this area radiates throughout the world. An opposite case is presented by the phenomenal improvement in living standards and general well-being occasioned when traditional adversaries in Western Europe decided to stop fighting each other and began to cooperate within the European Economic Community—a true exercise in international solidarity.

All of this demonstrates that the ingredient which Pesch made the core of his economic system was no mere pious platitude. Although the concept of solidarism still sounded strange to Pesch's countrymen in his time—they were destined to try one more form of madness to cure society—it may be that now, at last, solidarism is an idea whose time has come. The social teaching of the Catholic Church, after all, rests squarely on the natural law. It is destined for all ages and will get an eventual hearing, because it is with nature as Horace said, "No matter how hard we try to disregard nature's way, it always reasserts itself."<sup>26</sup> Within it lies the simple but potent and dynamic principle of solidarity which creates harmony in the social order and, with that harmony, effective economic performance for satisfying man's temporal needs. In the economic order, it is solidarism which makes man truly the lord of the world, instead of its victim.

## NOTES

1 Cf. J. Schumpeter, *History of Economic Analysis* (N.Y.: Oxford U. Press, 1954), p.765. Even Schumpeter in a note calls Pesch “That great man.”

2 Heinrich Pesch, *Lehrbuch der Nationalökonomie* (Freiburg in Breisgau: Herder). The best translation of the title is Principles of Political Economy.

3 Ibid., Vol. III, pp. 837-38. 1926 ed.

4 References to *Quadragesimo Anno* are from the ©1939 Paulist Press ed.

5 Cf., R.J. Ederer, *The Industry Council Arrives in America* in *Rev. of Social Economy*, XIX, 155. European scholars, esp. in the Latin tradition, often refer to “corporate bodies” or “corporate orders” or even corporations, which term does not have the obvious meaning it does in the U.S.

6 *Quadragesimo Anno*, para. 89. Henceforth called Q.A.

7 Ibid., 89.

8 Pesch, II, 220, 1925 ed.

9 Q.A. 89.

10 Ibid.

11 Cicero expressed this in *De Republica* and Lincoln in a speech in 1854.

12 Cf. R.J. Ederer, *Heinrich Pesch, S.J. 1864-1926: If Germany had Listened*” in *Social Justice Review*, (Mar.1976) 372-383. This article introduces a complete translation of a pamphlet published by Pesch in 1922 containing a summary of his system of economics, entitled *Christlicher Solidarismus und Soziales Arbeitssystem* (Chr. Solidarism & the Soc. Syst. of Industry).

13 Q.A. 86.

14 Q.A. 94.

15 Paulist edition, 51.

16 Pesch, II, 275 (1925 ed.)

17 Ibid.

18 Q.A. 95.

19 Pesch, II, 275, 1925 ed.

20 Arbeitssystem is translated “system of industry” rather than “system of of labor” because labor means merely physical or repetitive work to many.

21 Pesch’s treatment of the factors of production is vastly superior to the standard treatment of “Land, Labor and Capital” still used in most texts, though archaic (dating from British classical economics).

22 Pesch, II, 219 (1925 ed.)

23 Q.A., 75 and 2.

24 *Populorum Progressio* 1967, USCC edition: paras. 1 and 48.

25 Radio Broadcast, August 24, 1939. AAS, XXXI, p.334.

26 “Naturam expellas furca, tamen usque recurret.”