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Rugged individualism

# RUGGED INDIVIDUALISM



SOCIAL ACTION SERIES NO. 2

By

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*St. Mary's Seminary, Baltimore, Md.*

The pamphlets in the *Social Action Series*, of which this is the **second** number, are edited by the Social Action Department of the National Catholic Welfare Conference. They represent an effort to present to the general public, and especially to Catholics, a discussion of current economic facts, institutions and proposals in the United States in their relation to Catholic social teaching, particularly as expounded in Pope Pius XI's Encyclical "Forty Years After—Reconstructing the Social Order" (*Quadragesimo Anno*). In the spirit of that Encyclical they are urged upon and recommended to individuals, study clubs, discussion groups and school classes.

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## FOREWORD

Father Cronin writes a funeral sermon, but not a eulogy, of Rugged Individualism.

He shows how it began full of hope and promise. He tells of its practices in its American heyday. He hints briefly at how it died—by a suicide which left as its heir the concentration of wealth and power.

He shows why it thus died—by its denial of economic morality, of the brotherhood of mankind and of the moral obligation to create a unity in the general interest.

SOCIAL ACTION DEPARTMENT,  
NATIONAL CATHOLIC WELFARE CONFERENCE.

## FOREWORD

Editor, *Journal of Applied Psychology*, but not  
a study of *Applied Psychology*.

It shows how it began, full of hope and promise.  
The tale of its growth in its American history.  
Its past efforts to help it grow—by a means which  
helped to help the construction of words and

its story, why it grew—by its growth of  
economic morality, of the brotherhood of mankind  
and of the moral obligation to create a unity in  
the general interest.

Special Agents Department,  
Bureau of Economic Warfare, Commerce

# RUGGED INDIVIDUALISM

By REV. JOHN F. CRONIN, S.S., PH.D.

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## I. THE PHILOSOPHY OF INDIVIDUALISM

In recent years the phrase "rugged individualism" has deteriorated into an epithet. It is associated with the worst phase of the 1929 depression, recalling to most minds the bleak days of hearts sickened with hope long deferred. The average man finds it an unctious gloss over the tragic realities of the 1930's: the emaciated, starved faces of millions of respectable citizens; the pitiful confidence of hundreds of thousands of homeless boys and girls whose bodies and souls were wasted by a calamity of which they were innocent victims; the spectacle of families broken up while strong men fretted in the bonds of enforced idleness—all this happening while leaders publicly professed no concern and secretly drilled the riot squads of police forces—such is the specter evoked by this historic phrase. Once it stirred up a warm glow in the heart; today it is identified with frozen hearths, and families evicted like the Christ-child of Bethlehem into the cold of a wintry night.

### **Its Historical Background**

In centuries past, individualism was a message of hope and liberation. In the sixteenth and seventeenth centuries the philosophy of mercantilism weighed heav-

ily upon the business man. He was fettered and bound by minute rules and regulations enacted to give strength to the emerging nations. Leaders of these peoples subordinated individual desires to the great task of building up a powerful State. Colbert, for example, issued thirty-two sets of regulations and nearly two hundred edicts relating to manufacturing, and encamped on the French business man an army of petty inspectors to enforce them. The rigor of this policy was deepened by the questionable economic philosophy of the day, which was a strong nationalism characterized by the desire to sell as much as possible to foreign lands, and to receive only precious metals in return. From this heavy hand, and the similar restrictions of the decadent guilds, the merchant and the industrialist would gladly have been free. It was almost with a sense of spiritual exaltation that they accepted the freedom that was in the air at the eve of the American Revolution. One does not need to accept naïvely the theorizing of Mandeville, Hutchison and other philosophers of "optimism" to realize that the new philosophy was almost messianic in its import.<sup>1</sup>

### **The Nature of Individualism**

Individualism was above all a philosophy of freedom. According to its tenets man was to be allowed to do as he pleased, provided he respected the equal rights of his fellow man. His property was at his own disposal, and it was to his interest to use it in the best possible way. His labor was free, and was to command its worth in the open market. There where men could

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<sup>1</sup> Cf. Page, *Individualism and Socialism* (New York: Farrar & Rinehart, 1933), pp. 3-12, for striking quotations supporting this view, and a detailed criticism of individualism.

buy and sell without let or hindrance, would he work out the best possible social order. The State, far from regulating in minute detail the conduct of its citizens, would leave them to their own devices, retaining to itself the minimum of duties and privileges. If the sovereign power were merely to act as arbiter in disputes, as the referee who insures fair play, as the friend of the business man supplying him with good roads and equitable standards of weights and measurements, it would have done enough. The only further request, wrote Benjamin Franklin, which "agriculture, manufacturers and commerce present to the government is as modest and reasonable as that which Diogenes made to Alexander: 'Stand out of my sunshine.'"

### **Its Promised Fruits:**

#### **1. Freedom**

The new philosophy promised many rewards to its votaries. In the first place, freedom itself was a catchword which would inflame the hearts of men. It may be difficult for a world largely disillusioned of the ways of democracy to seize the magic of that vision. Yet in America it made desperate men heroes in a war of secession from England. In France, it was symbolized in the storming of the Bastille and the uplifting strains of the Marseillaise. Centuries of restraint by law, custom, or exaction had driven the iron into the souls of men. Freedom was received with an eagerness made more intense by the years of unrequited longing. America, above all, was conceived in such an atmosphere. Settled largely by exiles and the dissatisfied, her spirit might well be discerned in the successive waves which spread across her broad plains; her explorers, trappers,

Forty-niners, homesteaders and railroaders, each of whom in his way broke down the barrier of the frontier, each of whom sought his fortune in this land of opportunity. Today we look more tolerantly upon the restraints of the medieval guild and the nationalist State. The perspective of history has dealt kindly with the pre-capitalist spirit, the while dispelling naïve illusions concerning its supplanter.

## 2. Equality

Closely allied to freedom was the concept of equality. Free men were to be equals before the law. Opportunity would be denied to no man. Particularly in America was this equality a positive notion. It was to mean far more than the absence of discrimination; all men would have real and definite access to the highest positions. In the political world we have, in fact, our Jackson and our Lincoln; in the fields where more basic and substantial power was wielded, we had Commodore Vanderbilt, Gould, and Rockefeller. To prepare such leaders the public school system accepted poor and rich alike, teaching them in the famous McGuffey Readers a homely philosophy of virtue and diligence. At the same time the ever-expanding frontier offered an avenue of escape to any who was not content with his lot. So much was America the land of the "self-made man" that Europeans accepted this fact as our predominant characteristic. Wave upon wave of immigrants brought new recruits in the struggle to master a continent. Men whose graves were later to dot the shores of the Erie Canal, or whose bones bleached in the prairies beside the great transcontinental railroads, were released from the steerage of



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great ships and kissed the very soil of our land in gratitude and hope.

### 3. Justice

Equality implied justice. Right to all and privilege to none, was the philosophy of our land. In the basic law of the land there is twice affirmed that no person shall "be deprived of life, liberty, or property without due process of law." Furthermore in the individualist philosophy justice, like equality, was to be positive in its meaning. It implied that under this system each man would receive positively what is his due. Zeal, initiative and energy would be rewarded. Sloth and inefficiency would be punished. In the market each man would be engaged in shrewd appraisal of his fellow man and the work of his hands. If any one felt that the reward offered him was not just, he would search for a more discriminating buyer. Even though each trader would be serving his selfish ends alone, yet this competitive system was to transmute these aims into an even-handed justice which the wisdom of Solomon could not attain.

### 4. Initiative and Efficiency

Individualism was not merely to give each man his due, it was to bring to the surface his finest qualities. The competitive spirit was designed to counteract the natural lethargy of his nature. Without the incentives furnished by rivalry the business system, it was said, would soon sink into stagnation. This fact is abundantly illustrated, according to the philosophy of individualism, by the inefficiency and red tape of govern-



ment. Under the security of bureaucracy and civil service, men were supposed to get into routine habits and lose all imagination and resource. A startling contrast was described between the cumbersome machinery of government and the lightning decisions of business. Few of the institutions of government had progressed, it was said, since the days of the Romans, while industry, once freed in the seventeenth century, advanced by giant strides to a position of unparalleled achievement. In America while "the shame of the cities" and the ineptitude of official Washington were becoming a commonplace, business men developed technique that became the envy of the industrial world. The bold and enlightened vision of a Vanderbilt, a Gary or a Ford was said to symbolize the real genius of our nation, and the competitive system was given the credit for the initiative and zeal of these men. The pressure of the market was claimed to demand constant improvement in quality and lowering of cost. It was pointed out that we have motor cars today for a few hundred dollars that would have cost thousands a decade ago; the luxuries of yesterday are the necessities of today, and the advance to this position is made a pageant of triumph to the doctrines of individualism.

### 5. Economic Balance

Finally, there was claimed as a crowning argument in the edifice of individualist logic the economic balance achieved through the following of its tenets. In no other way could there be achieved, it was said, a full use of the means of production. Given the free workings of the competitive system, the economic order was to be capable of an expansion that would be un-

interrupted and virtually without limits. The secret of this expansion was the mobility postulated by the concept of a free market. If any of the factors of production, capital, labor or land, was not in demand, and hence was not being used fully, its price would fall until it had become attractive once more. On the contrary if there were too great a demand for one of these factors, its price would rise until the demand would be adjusted to supply. Likewise the supply of these factors was in turn to be affected by price, being increased by an enhanced price and decreased by a lower price. Thus in a marvelous and wholly automatic manner the economic system would be adjusted to the needs of individual men, each acting quite independently of the other. Human needs were to be well supplied, natural resources were to be used fully, and national and international well-being promoted.

## II. INDIVIDUALISM IN AMERICA

Individualism has been the prevalent American economic philosophy. Policies developed from its ideas are labeled "American." In political campaigns it is usually assumed that the burden of proof lies with those who would change existing conditions. To cite a recent example from a responsible source, the January, 1937, *Letter* of The National City Bank of New York, has a discussion of federal taxation which is frankly impregnated with the political principles of Adam Smith and John Stuart Mill. Pamphlets of the moribund American Liberty League and The National Association of Manufacturers are likewise but the detailed applications of these basic ideas. In the light of these

facts it would be interesting to discuss some of the effects of individualism on American economic life.<sup>2</sup>

### 1. Land

At the beginning of our history the Federal Government was in possession of a vast area of public domain, unequaled in its fertility and resources. Valuable farm land, broad acres of the finest timber, and fortunes in mineral deposits were acquired in the various purchases of our early history. Likewise the several States had holdings which would, if still possessed today, relieve their inhabitants of the entire burden of taxation and even pay their citizens a dividend. During the eighteenth and nineteenth centuries, however, most of this land was obtained by private citizens and corporations, too often in ways which could not stand the test of moral scrutiny. Greatest of the land fortunes were the holdings of John Jacob Astor. The basis of this fortune was The American Fur Company, a vast monopoly of the fur trade. Astor made enormous profits by debauching the Indians with liquor. The whisky was sold at an exorbitant price, and while in a befuddled state the Indians were deluded into handing over their furs for a pittance. The profits of his varied enterprises were converted into land ownership, and thus made the basis of a fortune which was to grow by 1908 to 300 million dollars.

In other parts of the land, shrewd traders were appropriating the public domain for nominal sums. Fraud and bribery were frequent if not usual concomitants of

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<sup>2</sup> For a readily available source book on this problem, see Myers, *History of Great American Fortunes* (New York: Modern Library, \$1.10).

these "purchases." Speculators bought land at a few dollars an acre and often sold within the year at three, four, and ten times the purchase price. The railroads of the United States received land grants amounting to 242 thousand square miles, a territory larger than Germany or France. The Northern Pacific Railroad received about thirteen thousand acres for each mile of track constructed. Even at a conservative valuation this would more than pay for the cost of construction. With the valuable mineral contents beneath the soil, this gift was a boon indeed. In ways not too dissimilar to this, nearly all of the public domain was alienated at a fraction of its real value. The one-seventh remaining today, poor land for the most part, is an ironic reminder of what was squandered in the exuberance of our national youth.

## **2. Transportation, Finance and Industry**

The building of the American railroad system shows the best and worst features of individualism. By drive, energy, and determination, the great railroad builders of the last century laid the basic foundations of our economic life. Coast was linked with Coast, and inland cities could trade in the great marts of the world. Yet this miracle was accompanied at every step by corruption which is probably without equal in modern history. Fraud, blackmail, bribery, and high-handed rapacity reached steps which stagger the imagination and stun the conscience. Literally the fortunes of the American people were playthings in a battle of financial giants. Railroads were built for blackmail, speculation, the acquisition of monopoly, for anything,

it seems, other than their legitimate purpose. Savings of investors were squandered, the highest government officials were bribed, towns and even States were intimidated, our national good name was besmirched in the *Crédit Mobilier* scandal, and the economic solvency of the country was threatened in the course of this conflict. The student who has been taught the glories of our history finds disillusioning reading in the lives of Commodore Vanderbilt, Cooke, Gould, Drew, Fisk, Russell Sage, Leland Stanford, Huntington, and Harri-man. We survived this trying period "as if through fire."

Parallel with the development of the railroads was the genesis of finance. The stock market furnished "other peoples money" for the legerdemain of the promoters. In this very market thousands were ruined by manipulation and fraud. "Black Friday," of September, 1869, had many lesser imitations throughout the century. At the same time the great names of industry were coming forward. Carnegie and Frick in steel, and Rockefeller in oil, were forging the links which were to hold together giant industrial empires. There was much high drama in the industrial side of the picture. The Standard Oil, in particular, used fair means and foul to gain ascendancy. Its captive railroads gave secret rebates on its own and even on its competitors' shipments of oil. Espionage, intimidation and open violence were used by its agents in destroying competing concerns. Politicians were on its payrolls, and high officials conveniently overlooked gross crimes. These tense years were times of transition. Individualism was yielding to finance-domination. The troubled waters needed soothing oil from the hands of Morgan.



### 3. Labor

During the years of tumultuous growth, labor was being profoundly affected by individualism. The hordes of European immigrants furnished abundant and cheap reserves for the building up of America. The starvation wages paid to them often led to desperate deeds, and the high-handed tactics of some employers aggravated the situation. Thus, for example, in 1848 the Pennsylvania Legislature passed an Act limiting the work day to ten hours, and forbade the employment of children under twelve years of age in the mills. In protest the manufacturers of Allegheny City laid off their two thousand workers. When these men were on the verge of starvation, they rioted, only to be met with gunfire by armed factory guards. Sporadic incidents of this nature indicate the problem which confronted American labor. The Molly Maguires in the coal regions, the riots in many of the large cities during the Seventies, terrorism, The Knights of Labor and the "Wobblies," the Steel and Pullman strikes, were for the most part results of the pitifully low wages and the killing working conditions. In 1842 Massachusetts was to pass the first law limiting the exploitation of children. It is unbelievable that this "reform" measure prohibited the employment of children under twelve for more than twelve hours per day. Time and again labor was denied the right to organize. Court injunctions embodied wildest abuses of judicial power. Compensation for injuries was unheard of. It was a period of class warfare, naked and unadorned.<sup>3</sup>

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<sup>3</sup> For the history of class struggle in America, see Adamic, *Dynamite* (New York: Viking, 1935).

#### 4. Our Natural Resources

Another unfortunate aspect of individualism concerns the waste of our natural resources. Partially through the heedless greed of some individuals, but mainly through sheer ignorance of the consequences of individualism, much of the basic wealth of the nation has been squandered with reckless prodigality. We are just beginning to realize, for example, the importance of what is called the "hydrologic cycle," the flow of waters to the sea and back again in the rain-laden clouds. Destruction of natural safeguards for this flow has resulted in erosion of our most valuable soil, devastating floods, pollution of our streams with consequent danger to marine life, and the ultimate possibility of our fertile plains becoming a vast Sahara. Unwise expansion of our wheat fields into unsuitable regions has caused an equally ominous wind erosion, which bore fruit in the famous dust storms of recent years. Forests have been wasted, and are still being used up far more rapidly than they are being replaced. Oil is being squandered criminally through unregulated competition in production. Competent observers see the rapid disappearance of this invaluable resource within the next few decades. A similar condition obtains in mining industries. Coal, copper, lead and zinc have been mined unwisely; the last three are approaching practical exhaustion. The striking fact about this rapid and basic impoverishment of America is the direct connection between this situation and the philosophy of individualism. By our following of the latter policy, we now face a real danger of national bankruptcy.<sup>4</sup>

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<sup>4</sup> On this important subject, Coyle, *Waste* (Indianapolis: Bobbs-Merrill, 1936, 50c), or Chase, *Richland, Poorland* (New York: McGraw-Hill, 1936), should be consulted.



### 5. Privilege and Corruption

It must be noted, finally, that individualist business men practiced their own philosophy only with reservations. While insisting in theory that government should stand apart from business, they exercised constant and effective pressure for special favors. Land grants and subsidies practically covered the entire cost of building our railway system. The Baltimore and Ohio, the Erie, and the Illinois Central railroads are notable examples of this fact. The construction of uneconomic waterways, shipping subsidies, tariffs, franchises, and imperialistic intervention, are some of the major categories of government subvention of business. Furthermore the internal strains of the competitive system were so great that business gradually organized into trusts and monopolies. The whole process of government aid was accompanied by corruption of public officials on a tremendous scale. The famous "gangs" which ruled our cities were in most cases nothing more than agents of local industrialists seeking extraordinary favors. In the light of these facts from history, one is convinced that the theory and practice of individualism are different, even divergent and contradictory.

It was natural that the fierce struggle of individualism should subside into the calm of finance dominated monopoly. Today, when the control of business is in the hands of a relatively small group of men who govern the giant corporations where the real owners have no voice, the loud portrayal of the virtues of individualism is little more than propaganda. Where real competition exists, in the price of labor, farm products,

some raw materials and industrial products and in the profits of small business men, there have been grave and persistent evils. But the dominant note of our economic system is given by basic industry and finance, and in this field monopoly and administration of prices obtain. The panegyrics on competition delivered by the publicity organs and subsidized economists of such groups can hardly be sincere.<sup>5</sup>

### III. A CRITIQUE OF INDIVIDUALISM

#### 1. Freedom, Equality, and Justice

To many men, the freedom promised by an individualist system is largely illusory. Thousands find that their only choice lies between intolerable conditions of labor, and starvation. Men in the labor market have no effective alternate choice under modern conditions. If they do not take the working conditions and wages offered they have often no other way of saving dependents from misery and want. In such cases freedom of choice lies entirely with the employer. Likewise the farmer has little real choice over his policies. Burdened with debt, he must produce and sell at whatever pittance the market allows. It is natural that both the laborer and the farmer should organize to better their lot; but this is a negation of individualism.

Equality of opportunity exists only in a qualified sense today. The thousands of children brought up in the degrading conditions of the city slums start life with

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<sup>5</sup> Cf. Burns, *The Decline of Competition* (New York: McGraw-Hill, 1936), and Berle and Means, *The Modern Corporation and Private Property* (New York: Macmillan, 1933), for a careful study of this problem.

definite handicaps. Millions of men seeking work are denied even an opportunity to earn their daily bread. To a great extent they are guiltless victims of an economic system. From their numbers will arise, even now, exceptional men who will surmount all obstacles, but the achievements of genius are no norm for the common man. God does not command under penalty of damnation that all men duplicate the achievements of St. Paul or St. Teresa. Nor can we expect the average man to emulate Henry Ford. The ordinary man wants but the common rights of humanity, merely to rear a family in dignity and security, and he is denied these rights in the current economic system.

Justice likewise, does not flow automatically from individualism. Instead of equal justice under the law, it is notorious that there is one standard for the rich and another for the poor. In the last century, Jay Gould had a judge available to legalize every step he took and to make the law conform to the accomplished fact. Today injunctions can often be obtained against striking workers, but rate cases of utilities and income tax cases of the wealthy drag endlessly through the courts. Again, while God alone can give a final verdict on Tom Mooney and Insull, on available evidence who could say that the man in jail is the more guilty? Nor is man given positive justice in any striking degree. Salaried officers or underpaid bookkeepers often do the real work in a firm, for which an influential sinecure receives a handsome reward. The results obtained by Senate investigating committees in recent years, and the whole history of our nineteenth century expansion, would lead most people to conclude that the race does not go to the swift, nor the victory to the

strong, but rather that cunning and deceit have often led to financial preëminence.<sup>6</sup>

## 2. Initiative and Quality

The initiative and industry fostered by the competitive spirit have produced admirable results. St. Thomas uses this fact as one of his main arguments for private property. Yet without definite regulation, less desirable phenomena are likely to appear. As Pope Pius phrases it, it "permits the survival of those only who are strongest, which often means those who fight most relentlessly, who pay least heed to the dictates of conscience."<sup>7</sup> Candor forces us to confess that such was the case in much of the last century. Today one common example is the sweatshop operator. By treating his employees inhumanly, he is able to derive definite advantages over his competitors. Likewise the irresponsible manufacturer who turns out shoddy, valueless goods, is able to undersell his more reputable competitors. Research tests on sundry products reveal only the loosest connection between price and quality. Again, a premium is put upon the lowest qualities of human nature. Greed, acquisitiveness, pride and cruelty too often lead to material success. The reckless despoliation of a continent netted great wealth to its perpetrators, even though it leaves us close to bankruptcy in some important fields. Millions pay heavily for the irresponsibility of the few.

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<sup>6</sup> Cf. Allen, *Lords of Creation* (New York: Harper and Bros., 1935), for a balanced, judicious account of economic realities.

<sup>7</sup> "Reconstructing the Social Order," N. C. W. C., p. 33.

### 3. Economic Consequences of Individualism

As an economic theory, individualism is based on a narrow theoretical analysis. Human tragedy is overlooked in the study of abstract laws. Vital interests are excluded from its consideration. Thus, for example, the phrase "mobility of capital and labor," an essential postulate of the system, involves consequences which are no less than appalling. If we imagine the hypothesis of a Japanese electrical plant more efficient than the General Electric, capital and labor should flow to Japan. In practice this would mean the closing of the General Electric plants, the depopulation of Schenectady and other cities connected with the industry, and the effort of the entire labor force to seek work in Japan. Is the saving of five cents on a light bulb worth this? Another example will show even more clearly the illusory cheapness of individualism. In 1933, following individualist theory, we should have let the banks crash, wiped out savings, paralyzed industry, consequently rendering valueless all insurance policies, destroyed government credit, and started off with a clean slate and with the bondholders the new owners of America. The consequences are tragic. But at least individualism was a logical, coherent system. Today we embrace some of its policies and not others, and as a consequence achieve little more than muddled thinking.



#### IV. INDIVIDUALISM AND CATHOLIC SOCIAL THEORY

##### 1. Economics and Ethics

Pope Pius summarizes aptly the Catholic attitude towards individualism:

Just as the unity of human society cannot be built upon class warfare, so the proper ordering of economic affairs cannot be left to free competition alone. From this source have proceeded in the past all the errors of the "Individualistic" school. This school, ignorant or forgetful of the social and moral aspects of economic matters, teaches that the State should refrain in theory and practice from interfering therein, because these possess in free competition and open markets a principle of self-direction better able to control them than any created intellect. Free competition, however, though within certain limits just and productive of good results, cannot be the ruling principle of the economic world. This has been abundantly proved by the consequences that have followed from the free rein given to these dangerous individualistic ideals.<sup>8</sup>

Its basic ethical assumption, that economics and ethics may be divorced, is immoral. All the activity of man must be governed by and subordinated to a definite hierarchy of moral values. Each man has rights as well as duties toward God, neighbor and self. Soulless atomistic individualism, denying all responsibility of man to man, is quite opposed to the Christian ethic. The subordination of man to an impersonal economic system, leaving his most precious concerns the mere

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<sup>8</sup> *Op. cit.*, p. 28.

plaything of a market, embodies a disregard of human dignity which can never be sanctioned.

## 2. The Philosophy of the State and Property

The individualist philosophy of the State is a logical corollary of its denial of moral obligation. *Laissez faire*, let each man do as he pleases provided he observes the minimum of positive law, an obvious conclusion from the main tenets of individualism, is irreconcilable with Catholic social teachings. The State, according to traditional ethics, should seek the common good of its citizens. In the promotion of this welfare, it has definite rights and duties just as has its lowest subject. The ideal State would be the topmost directing force in a hierarchy of organic social, economic and political groups. Its function would be that of guidance and coördination.

But in times of emergency when the welfare of its citizens is threatened, it should use its reserve powers to restore proper harmony and balance in society. Today, for example, when the terrific power of concentrated finance and organized industry leave the worker, farmer, investor and consumer helpless and exploited, the State must assume extraordinary powers to restore basic rights of its citizens.

The ethical justification of the reserve powers of the State is found largely in the Catholic teaching on private property. The Church insists that property has a twofold aspect, a social as well as an individual. Private property must serve the common good as well as the whim of its individual owners. The determination of what is consonant with the public weal is the



duty of the sovereign State. As long as its actions do not tend to the abolition of the right of ownership, it has definite powers of regulation and even of ownership. Pope Pius says:

However when civil authority adjusts ownership to meet the needs of the public good it acts not as an enemy, but as a friend of private owners; for thus it effectively prevents the possession of private property, intended by Nature's Author in His Wisdom for the sustaining of human life, from creating intolerable burdens and so rushing to its own destruction. It does not therefore abolish but protects private ownership, and, far from weakening the right of private property, it gives it new strength. . . .<sup>9</sup>

For it is rightly contended that certain forms of property must be reserved to the State, since they carry with them an opportunity of domination too great to be left to private individuals without injury to the community at large.<sup>10</sup>

This last citation, particularly when taken in its context, a criticism of right-wing socialism, implies great reserve powers for the State. The Catholic Church defends the institution of property, but with the hope that most men can become actual owners of the means of production, not merely wage slaves or members of a dispossessed proletariat.

### 3. Capital and Labor

The individualist attitude toward capital and labor is not sound. The Pope has little but condemnation to offer in its regard:

None the less, the demand and supply of labor divides men on the labor market into two classes, as into two camps,

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<sup>9</sup> *Op. cit.*, p. 17.

<sup>10</sup> *Idem*, p. 35.

and the bargaining between these parties transforms this labor market into an arena where the two armies are engaged in combat. To this grave disorder which is leading society to ruin, a remedy must evidently be applied as speedily as possible. . . .<sup>11</sup>

Capital, however, was long able to appropriate to itself excessive advantages; it claimed all the products and profits and left to the laborer the barest minimum necessary to repair his strength and to ensure the continuation of his class. For by an inexorable economic law, it was held, all accumulation of riches must fall to the share of the wealthy, while the workingman must remain perpetually in indigence or reduced to the minimum needed for existence. It is true that the actual state of things was not always and everywhere as deplorable as the Liberalistic tenets of the so-called Manchester School might lead us to conclude; but it cannot be denied that a steady drift of economic and social tendencies was in this direction. These false opinions and specious axioms . . .<sup>12</sup>

The Manchester School is but a synonym for individualist philosophy. Certainly the dignity of the working man is inconsistent with the labor tenets of such a school. Since labor is the only means whereby he can have access to the goods of the earth, the State in safeguarding the common good must enact legislation leading to suitable and worthy employment to all who desire it. If the economic development of the nation allows, as it does in the United States, a "living wage" suitable to maintain the laborer and his family in comfort and security should be paid. For this purpose labor has a moral right to organize into unions

<sup>11</sup> *Idem*, p. 27.

<sup>12</sup> *Idem*, p. 19.

and to strike if necessary. The enemies of Christ cursed the common people who knew not the law; only His enemies will adopt a like attitude toward labor.

#### 4. Other Catholic Critics

Thus far, we have been concerned mainly with the authoritative teachings of Pope Pius XI in his Encyclical *On Reconstructing the Social Order*. Catholic writers reinforce these teachings by specific arguments. Assuming that American writers are well known, it might be well to note two foreign writers, Amintore Fanfani, Professor of Economic History, Sacred Heart University of Milan, and Christopher Dawson, eminent English essayist. Fanfani, in his excellent study, *Catholicism, Protestantism, and Capitalism*, shows the origin of individualism in the breakdown of medieval moral standards. He shows historically what Pope Pius demonstrates ethically, that in its essential nature this philosophy is directly opposed to moral restraint. His conclusion naturally is that "there is an unbridgeable gulf between the capitalist and the Catholic conception of life. In their general lines, Catholic social ethics are always antithetical to those of Capitalism."<sup>13</sup> Capitalism here is considered only in its actual ethical setting, namely, the individualist.

Dawson, in his equally noteworthy study, *Religion and the Modern State*, notes that:

this creed—and the social and economic order which arose from it—is entirely inconsistent with Catholic principles and was in fact the most dangerous enemy and rival that the Catholic Church had to meet in modern times. It is a phi-

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<sup>13</sup> *Op. cit.* (New York: Sheed & Ward, 1935), p. 151.

losophy of separation and irresponsibility which breaks up the moral organism of society into the chaos of competitive individualism. It denies the sovereignty of the moral law in the economic world, the principle of authority in politics and the existence of an objective divine truth in religion. It makes self-interest the supreme law in economics, the will of the majority the sovereign power in the State, and private opinion the only arbiter in religious matters.<sup>14</sup>

### CONCLUSION

Individualism as condemned by the Church is not private ownership. Rather it denies this privilege in any real way to millions. It is not the system of "capitalism" if the word is used merely in the sense that one man works on another's property; the Church does not condemn this either. It is not industrialism. The machine is an indifferent thing, capable of being used or abused according to the moral choice of man. Rather individualism is the inhuman master which enthrones avarice, which drains the best energies of men and diverts them into the frantic struggle for security, which allows the immoralities of unchecked speculation, which, finally, has broken the social unity of life and left the law of the jungle. Here is the real source of class war, the real cause of Socialism and Communism. In strict logic it leads to a world as godless as Russia's. Fortunately men have never carried out the full implications of this system, but the competitive spirit drives them in that direction. The Catholic Church could not

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<sup>14</sup> *Op. cit.* (New York: Sheed & Ward, 1935), p. 133. Cf. also Berdyaev, *Christianity and Class War* (New York: Sheed & Ward, 1934) for a similar viewpoint in a Russian Orthodox Christian and a profoundly religious philosopher of history.

accept such a philosophy without renouncing the spirit of its Founder.

Individualism, then, is another fading dream. It should join the fallen idols of the mind that litter the bypaths of history. Man has ever tried to forget original sin since the day he would be as God, knowing good and evil. Yet such a view of his nature is essentially narrow and warped, and a philosophy built upon it must fall. It is our work to see that the latter state of man be not worse than the former.

### N. C. W. C. STUDY OUTLINE

#### I. PHILOSOPHY OF INDIVIDUALISM

1. Individualism, a reaction to the spiritual decay of sixteenth to eighteenth century Europe.
2. Individualism, a philosophy of freedom for business men.
3. Discuss the absence of brotherhood among the promised fruits of Individualism.
4. Can you have freedom without brotherhood?
5. Can you have equality without brotherhood?
6. Can you have justice without brotherhood?
7. Discuss the differences between unrestrained rivalry and modified rivalry.

*Paper:* Review of Chapter I-III, "Toward Social Justice" (N. C. W. C., 15 cents).

#### II. INDIVIDUALISM IN AMERICA

1. The squandering of the national lands.
  2. The concentration of wealth.
  3. The poverty and suppression of labor.
  4. The waste of resources.
  5. The chaining of government.
- Paper:* A review of one or two chapters of Myers' "Great American Fortunes" (New York: Modern Library, \$1.10).



## III. A CRITIQUE OF INDIVIDUALISM

1. Are the poor free before an employer?
2. Are the children of the poor equal in opportunity with the children of the well-to-do?
3. Contrast the treatment given some labor case by the courts with a case involving financial crookedness.
4. Discuss "unfair" competition.
5. Discuss what the Individualist theory demanded of us from 1929 to date.

*Paper:* Review of Father Haas, "The Wages and Hours of American Labor" (in this series of pamphlets).

## IV. INDIVIDUALISM AND CATHOLIC SOCIAL THEORY

1. Discuss the reasons given in the Encyclical why free competition cannot properly order economic life.
2. Discuss why the Church advocates Legislation.
3. Discuss why the Church advocates morally right wages to labor.
4. Discuss Dawson's emphasis on "Moral Organism," *i. e.*, brotherhood, in contrast with competitive anarchy.
5. Discuss the difference between Individualism and (a) property-ownership; (b) working for another person, and (c) machine-industry.

*Paper:* Review the Appendix to this pamphlet.

## APPENDIX

## MAIN POINTS IN A CATHOLIC ECONOMIC PROGRAM

1. *From Pope Leo XIII's "On the Condition of Labor":*  
The supremacy of religion and morals over economic relations.  
The right of private property, but a right limited by the rights of others to live from the bounty of God.  
The right of the living wage and the right of fair treatment generally in working hours and in working conditions, including the matter of women and child labor.  
The reciprocal duties of owners and propertyless employees.  
The essential evil of the Individualism which admitted no right and wrong in economic transactions, denied government any func-

tion but that of policeman and rejected the right of organization. The rights and importance of labor unionism, employers' organizations and the like to bring about economic justice.

The duty of government to set up general laws and institutions to help bring about justice and the common good, and to pass special legislation to prevent injustice and protect the weak and the poor.

The rejection of Socialism.

The necessity of distributing ownership.

The primary importance of religion.

The degradation to which a century of unrestrained Individualism had brought the world and particularly the working people who lay "under a yoke little better than slavery."

2. From "*The Bishops' Program of Social Reconstruction*" (Washington, 1919):

The continuance of the National War Labor Board to put the power of government back of the family living wage, fair hours and the right of collective bargaining.

The necessity of a high level of general purchasing power to secure steady prosperity.

Social insurance against unemployment, old age, sickness and invalidity; and a coördinated system of employment bureaus.

Minimum wage laws and equal pay for equal work for women.

The development of consumers' coöperation and of government competition with monopolies not otherwise restrainable.

High taxes on large incomes, excess profits and inheritances.

The rise of labor to share in management.

The rise of the working people to share in the ownership of the things with which and on which they worked (through co-partnership and producers' coöperation) if we are to have an efficient economic régime or one safe from revolution.

The supremacy of the right to a living wage over even interest on investment.

Application to both public service monopolies and other businesses of the principle of no more than a fair return on actual investment.

3. From Pope Pius XI's "*Reconstructing the Social Order*":

The social character of ownership and of work as well as their private character and so:



- a. The wide distribution of ownership.
- b. The form of private ownership that will provide the common good.
- c. The family living wage.
- d. Distribution of income, including both returns on property and returns from work that will let all share in the increasing productivity.
- e. Wage and salary rates and prices that will provide steady employment.
- f. Full output and full distribution for a high standard of culture and prosperity for all.
- g. Public ownership of those things which if owned privately give too much power of domination.

Legislation to regulate competition and a new private economic dictatorship (which the Encyclical stated had risen in the preceding 40 years) including:

- a. The customary range of labor legislation.
- b. Laws to determine the social obligations of property beyond even those that the natural law orders.
- c. Governmental help to efforts made by employers and employees to overcome conditions that prevent the payment of right wages.
- d. International economic coöperation.

A new social order of separately, and democratically, organized industries and professions to direct, separately and jointly, production, prices and distribution of income to the common good, growing by way of collective bargaining and the like and assisted into life by governmental authority and helped by it to do right and prevented from doing wrong. (The vocational or occupational group system.)

A new spirit, the spirit of social justice animated by social charity.

Opposition to Communism, and a description of a new type of Socialism and a condemnation of it, not because of its small measure of public ownership or social control, but because of its denial of the natural and God-given character of social organization and authority and its subjection of people to production who otherwise would then be left utterly free.

The history of the United States is a story of the growth of a nation from a collection of colonies to a great power. It is a story of the struggle for freedom and self-government, and of the development of a unique American character. The story begins with the first European settlers in the early 17th century, and continues through the American Revolution, the period of territorial expansion, and the Civil War. It ends with the United States as a world leader in the 20th century.

The early years of the United States were marked by a struggle for independence from British rule. The American Revolution was a turning point in the nation's history, and it led to the adoption of the Constitution in 1787. The Constitution established a system of government that has lasted to this day.

The next phase of the nation's history was a period of territorial expansion. The United States acquired vast new lands through purchase and conquest, and this led to the development of a new American identity. The Civil War, which began in 1861, was a defining moment in the nation's history, and it led to the abolition of slavery and the strengthening of the Union.

In the 20th century, the United States emerged as a world superpower. It played a leading role in the defeat of the Axis powers in World War II, and it has since been a major force in the world. The United States has a rich and diverse culture, and it has made many contributions to the world.

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## SUGGESTIONS FOR STUDY CLUBS OR COMMITTEES ON INDUSTRIAL QUESTIONS

1. The study club is not a group to listen to lectures. It is for joint discussion. It is small—ten or twelve to twenty or so—so as to permit general discussion.
2. There is a discussion leader.
3. The group may consist of persons of various occupations and interests or of special groups, such as organization leaders, employers, professional persons, clerical workers, manual workers, etc. A number of small study groups established within each organization is desirable.
4. Meetings are once a week or once every two weeks or once a month.
5. Every member should have at least the text and the outline.
6. The discussion, as a rule, follows the outline point by point. The section of the text to be discussed should be read before the meeting by each member.
7. Use questions at the end of the meeting to recapitulate.
8. Reports or papers called for by any outline should be brief.
9. The purposes are:
  - (a) So its members will know the teaching of the Church on economic life.
  - (b) So they can speak at Catholic meetings.
  - (c) So they can be leaders in the activity of Catholic organizations.
  - (d) So they can apply the teachings in their work and civic life.
  - (e) So they can guide the economic organization to which they belong.
  - (f) So that they will be better Catholics.
10. If the group is an offshoot or a part of another organization they should report their conclusions to the parent organization, because one of the chief purposes of the club or committee is to pass on their information, point of view and enthusiasm to the Catholics of their community and to make the club's work definitely a part of the parent organization's work.

*For further information and assistance, write:*

**National Catholic Welfare Conference,  
Social Action Department  
1312 Massachusetts Avenue NW., Washington, D. C.**

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