

The Catholic fix on the economy

BY DOUGLAS W. KMIEC

A while back, President Clinton secured his election with the phrase "it's the economy, stupid." Given the present financial mess, all of us may be willing to concede the adjectival appellation of ignorance. The question "What will fix this?" lingers in the American mind like an overstaying house guest.

But were I to submit the answer as "faith," I suspect many would find that odd or nonresponsive. After all, doesn't economics merely put prices on things that, from a religious perspective, cannot, or at least should not, be valued? Cost-benefit analysis gives a value even to human life to determine, for example, whether an additional investment in safety is warranted. And warranted, in terms of what? Why, profit, of course.

Economists will be quick to claim their policy neutrality — "just giving us a better understanding of scarce resources," they will say. Don't believe it. As we contemplate how to work our way out of the economic hole we find ourselves in, we should recognize that economic choices are anything but morally neutral. From the time of the ancients, it

has been understood that economics deals with scarcity, and yes, scarcity is a powerful source of human misbehavior. So as we undertake the reform of our economic system, we need to know both human limitations and potential — neither underestimating the first, nor overselling the second.

Faith and economics are most assuredly related. Both, for example, depend upon right reason. Virtually all economic forecasting depends upon the assumption of rational decision-making and the Catholic Church has long taught acting irrationally to be a sin.

The supposition that the world is rational and that rational laws underlie events is traceable to Aristotle whom Aquinas incorporated into Christian thinking. And while the Catholic view is one mostly of optimism (St. Augustine supplying a certain skeptical leaven); we need to remember that Catholics are not a pessimistic lot.

In part this is because, as the Jesuit John Courtney Murray explained, Catholics aren't just waiting around for the hereafter. Rather, we are working to create a temporal order of justice and civic-mindedness as Christ called upon us to transform the world.

Mere survival of the fittest is not a sufficient Catholic perspective. All of human creation

is in God's image, those of immense talent, and those with less. In faith, we are to deploy reason to achieve human betterment and economic progress. The optimistic Catholic view does not alienate man from his work, but instead recognizes that work was made for man.

Catholic teaching is also honest, not denying self-interest, but also finding the beginning of wisdom in our own moderation and the belief that the poor are deserving of the support of the community.

As we pursue our personal happiness, then, in these difficult economic times, let us recall the two things thought necessary for it by Aquinas: to act virtuously and the sufficiency of material goods. Aquinas knew the second to be necessary for virtuous action since, without material comfort, attaining virtue and the deeper satisfactions of life would be impossible.

In our reforms, Aquinas would not have us forsake the marketplace or private property. A just price, reasoned the saint, would generally emerge from an efficient and rational market if certain standards of fairness were observed: no charging different prices for the same good to different persons; no monopolistic collusion among sellers; and no

taking advantage of emergencies to secure windfall gains.

And lest that not be plain enough to the present purveyors of securities, mortgages and banking services, Aquinas was adamant that no one should exact a higher price when they have not added value. Buying low and selling high is not the Catholic ethic. Cleverness in the financial markets, loaning astutely or trading sharply are unworthy. Indeed, Aquinas held such actions to be the equivalent of theft.

Aquinas was a defender of private property, but not of unlimited acquisition or avarice since our created equality before our Maker gives rise to an obligation for private benefits to be shared with the community, and for this reason, progressive forms of taxation are well within the Catholic tradition. No wolf cries of "wealth redistribution" ought to be on Catholic lips.

How many of these lessons have we forgotten or never took to heart? "What will fix this?" Our faith invites us to remember, and then, lead. ❖

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