This essay is taken from Dr. Robbins' latest book, *Ecclesiastical Megalomania: The Economic and Political Thought of the Roman Catholic Church* (Trinity Foundation, 1999). Dr. Robbins earned his Ph.D. in Philosophy and Political Theory from The Johns Hopkins University.

Despite the Roman Catholic Church's strident and sustained crusade against political freedom and capitalism that has now lasted for more than a century, a small but influential group of American Roman Catholic economists has begun to argue that the Roman Catholic Church now favors capitalism. Not only does the Roman Church-State favor capitalism now, according to these apologists for Rome, it has always favored capitalism, we are told.¹ The opposite impression—the impression that the Roman Church-State was anti-capitalist—was allegedly created by "progressive leftists" who engaged in a "selective reading"² of the papal encyclicals. Among these revisionist Roman Catholic apologists are Robert Sirico, a Paulist priest who is also the president of the Acton Institute in Grand Rapids, Michigan; and Michael Novak, a fellow of the American Enterprise Institute in Washington, D.C.³

Sirico argued, for example, that John Paul II's encyclical issued in commemoration of the hundredth anniversary of *Rerum Novarum* in 1991, *Centesimus Annus*, "represents a dramatic development in the encyclical tradition in favor of the free economy."⁴ More than any other church document, Sirico wrote, "this latest one celebrates the creativity of entrepreneurs and the virtues required for productivity."⁵ Sirico asserted, "The pope affirms both the practical and moral legitimacy of profit, entrepreneurship, appropriate self-interest, productivity, and a stable currency."⁶ Furthermore, *Centesimus Annus* is not only a

¹ Michael Novak explained that "one key point of this inquiry [his book] has been to show that the Catholic tradition also carries within it a powerful ethic of capitalism—indeed a fuller and deeper ethic than was available to the first Puritans" (The Catholic Ethic and the Spirit of Capitalism, New York: The Free Press, 1993, 232). On the other hand, Novak also wrote that "Most assuredly, Centesimus Annus is no libertarian document—and precisely that, to many of us, is its beauty.... I want to stress that Centesimus Annus gives encouragement to social democrats and others of the moderate left...." (138).
² Sirico, "Catholicism's Developing Social Teaching," *The Freeman*, December 1991, 467. Sirico himself seemed to be of two minds on this question, for he also referred to the "left-wing trend" in Catholic social tradition (471).
³ Novak's book was written "In homage to Pope John Paul II," and, as one might expect from such a dedication, it is largely Roman Catholic propaganda.
⁴ Sirico, "Catholicism's Developing Social Teaching," *The Freeman*, December 1991, 462. If *Centesimus Annus* is a "dramatic development in favor of the free economy," then the encyclicals that went before must have been opposed to a free economy.
“repudiation of the entire collectivist agenda, root and branch,...but [also] the warmest embrace of the free economy since the Scholastics.” One would expect such sweeping claims indicating dramatic and almost revolutionary developments in Roman Catholic social thought to be supported by many quotations from the encyclical itself. Unfortunately, Sirico quoted only one complete sentence and one sentence fragment from the encyclical, a document of approximately 28,000 words. The sole complete sentence reads as follows:

By intervening directly and depriving society of its responsibility the social assistance state leads to a loss of human energies and an inordinate increase of public agencies, which are more dominated by bureaucratic ways of thinking than by concern for serving their clients, and which are accompanied by an enormous increase in spending.

The partial sentence Sirico quoted is a solitary reference to some of the virtues that compose the work ethic: diligence, industriousness, prudence in taking reasonable risks, reliability and fidelity in interpersonal relationships, as well as courage in carrying out decisions which are difficult and painful but necessary, both for the overall working of a business and in meeting possible setbacks. Any reader of Sirico’s essay who actually reads the 1991 papal encyclical will be disappointed, for virtually all of the claims that Sirico made are not supported by the statements of the encyclical itself.

Of course, some of Sirico’s claims may be true. For example, when Sirico wrote that “Centesimus Annus evidences the greatest depth of economic understanding...on the part of Catholic teaching authority in 100 years,” he may very well have been correct. Our survey of the teaching of official Roman Church-State social thought as expressed in the papal encyclicals and conciliar constitutions turned up little or no evidence of economic understanding. Instead, the Roman Church-State has shrilly denounced the market, self-interest, and capitalism on ethical grounds, and made sustained demands for government intervention to protect the “common good” and promote “social justice.” Sirico’s statement turns on a comparison between Centesimus Annus and previous encyclicals, so if the latest papal encyclical is less candid and forthright about, or less strident in, its criticism of

11 “The latest installment of Catholic social teaching, and arguably its most dramatic development, comes in Pope John Paul II’s Centesimus Annus, which commemorates Leo’s encyclical [Rerum Novarum]” (“Catholicism’s Developing Social Teaching,” The Freeman, December 1991, 471).
capitalism, it might appear in a somewhat favorable light. And if the pope praises some of the "economic virtues," even though the praise is almost 500 years after Luther and Calvin, perhaps it is a sign of hope for economically conservative Roman Catholics like Mr. Sirico, who seem to be embarrassed by a Church-State that has been one of the world's longest and strongest proponents of anti-capitalist ideas.

Sirico claimed that “more than any other church document this latest one [Centesimus Annus] celebrates the creativity of entrepreneurs and the virtue required for productivity.” This writer has not read all church documents, and neither, one supposes, has Mr. Sirico. In his essay Sirico discussed only one previous church document, Rerum Novarum, and furnished us with a creative misreading of that encyclical as well. But despite his best efforts, Rerum Novarum is so obviously an anti-capitalist document that Sirico is finally embarrassed by it. His desire to find something of economic value in the papal encyclicals seems to betray him into making statements that he cannot support. The many official Roman Church documents that this writer has read express the Roman Church-State’s long-standing hatred for capitalism on moral grounds, a hatred that has now been clearly expressed by the Magisterium for over a century. P. T. Bauer accurately called these papal encyclicals “incompetent,” “immoral,” and “envy exalted.”16

The Meaning of Rerum Novarum and Centesimus Annus

If Sirico’s reading of Centesimus Annus is so misleading, what exactly did John Paul II say in the encyclical? Since Centesimus Annus was issued in commemoration of Rerum Novarum, the pope began by praising Rerum Novarum as an “immortal document,” and continued: “the vital energies rising from that root have not been spent with the passing of the years, but rather have increased even more.”17 Continuing his praise for Rerum Novarum for several paragraphs, John Paul II asserted that “the validity of this teaching has already been pointed out in two Encyclicals published during my Pontificate: Laborem Exercens....and Sollicitudo Rei Socialis.....”18 John Paul II proposed a “re-reading” of Rerum Novarum “to discover anew the richness of the fundamental principles which it formulated....”19 What are those fundamental principles? John Paul II, echoing Leo XIII a century before him, began with a quasi-Marxist analysis of capitalism. Please keep in mind that the quotations that follow are from the encyclical that Sirico and Novak have described as the most pro-

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14 Sirico noted that his interpretation of Rerum Novarum is “not a prevalent one today. It [Sirico’s interpretation] comes from a view of the world as expressed by classical liberals.” Unfortunately for Sirico’s interpretation, Leo XIII did not share the classical liberal view of the world, and Rerum Novarum itself rails against classical liberalism. To claim, therefore, as Sirico did, that Rerum Novarum lends itself to such an analysis is to misrepresent the encyclical (Sirico, “Catholicism’s Developing Social Teaching,” 466).

15 Sirico admitted that Leo XIII erred “in a particular economic policy prescription, but not in his overall economic framework.” Since that overall framework is a quasi-Marxist analysis of capitalism, one is baffled by Sirico’s remark. It is telling that Sirico prefaced his discussion of Rerum Novarum with a long discussion of the Roman Church-State doctrine of papal infallibility, arguing that it does not apply to papal encyclicals. He apparently had hoped to avoid the problems that the claim of papal infallibility entailed for (1) his own economic views, which seem to be out of line with those of the Roman Church-State; and (2) what he regarded as dramatic differences in the views expressed from one papal encyclical to another. In so arguing, however, he subverted the Roman Church-State’s claim to infallibility, for that claim rests on the alleged inadequacy and vagueness of Scripture, which consequently needs a living, clear, and infallible interpreter. But if the popes do not speak clearly and infallibly in their encyclicals, the Roman Church is in an even worse situation, and the Roman Catholic argument against the Reformed position that Scripture is its own interpreter collapses.


17 John Paul II, Centesimus Annus (1991), 1.2. Italics in the original.

18 John Paul II, Centesimus Annus (1991), 2.2.

4.2 In the sphere of economics....new structures for the production of consumer goods had progressively taken shape [during the eighteenth and nineteenth centuries]. A new form of property had appeared-capital; and a new form of labor-labor for wages, characterized by high rates of production which lacked due regard for sex, age or family situation, and were determined solely by efficiency, with a view to increasing profits.

4.3 In this way labor became a commodity to be freely bought and sold on the market, its price determined by the law of supply and demand, without taking into account the bare minimum required for the support of the individual and his family. Moreover, the worker was not even sure of being able to sell "his own commodity," continually threatened as he was by unemployment, which, in the absence of any kind of social security, meant the specter of death by starvation.

4.4 The result of this transformation was a society "divided into two classes, separated by a deep chasm" [Rerum Novarum, 132]. Thus the prevailing political theory of the time [the nineteenth century] sought to promote total economic freedom by appropriate laws, or, conversely, by a deliberate lack of any intervention.....

5.2 The Pope [Leo XIII] and the [Roman] Church....were confronted....by a society which was torn by a conflict all the more harsh and inhumane because it knew no rule or regulation. It was the conflict between capital and labor.....

5.3 In the face of a conflict which set man against man, almost as if they were "wolves," a conflict between the extremes of mere physical survival on the one side and opulence on the other, the Pope [Leo XIII] did not hesitate to intervene by virtue of his "apostolic office...."

5.4 In this way, Pope Leo XIII, in the footsteps of his Predecessors, created a lasting paradigm for the Church.....

6.1 With the intention of shedding light on the conflict which had arisen between capital and labor, Pope Leo XIII affirmed the fundamental rights of workers..... "It may truly be said that it is only by the labor of the working-men that States grow rich."

6.2 Another important principle is undoubtedly that of the right to "private property....." The Pope is well aware that private property is not an absolute value, nor does he fail to proclaim the necessary complementary principles, such as the universal destination of the earth's goods.

6.1 The Pope [Leo XIII] immediately adds another right which the worker has as a person. This is the right to a "just wage," which cannot be left to the "free consent of the parties....." This concept of relations between employers and employees, purely pragmatic and inspired by a thoroughgoing individualism, is severely censured in the Encyclical.....

8.2 A workingman's wages should be sufficient to enable him to support himself, his wife and his children. "If through necessity or fear of a worse evil the workman accepts harder conditions because an employer or contractor will afford no better, he is made the victim of force and injustice."

8.3 Would that these words, written at a time when what has been called "unbridled capitalism" was pressing forward, should not have to be repeated today with the same severity.....

This re-reading of Rerum Novarum by John Paul II preserved the Marxist flavor of the encyclical-an unsophisticated labor theory of
value, the economic class structure of society, and the class struggle-and endorsed it. Leo XIII in 1891 and John Paul II in 1991 adopted a quasi-Marxist view of capitalism. Both John Paul II and Leo XIII also endorsed the fundamental principle of the “universal destination of goods,” which holds that need makes all goods, both natural and manufactured, common, and that those who own goods must surrender them to those in need, or their goods will be rightfully taken from them by either the needy or by the public authorities.\(^2\) To say of Rerum Novarum, as Sirico did, that it “provides one of the most finely honed defenses of the free market and private property order in the annals of Catholic, indeed Christian, social thought.....”\(^2\) is preposterous.

Later in Centesimus Annus, John Paul II endorsed the slogan of liberation theology: “the preferential option for the poor,”\(^2\) and wrote, more ominously, that “The Pope does not, of course, intend to condemn every possible form of social conflict..... The [1981] Encyclical Laborem Exercens, moreover, clearly recognized the positive role of conflict when it takes the form of a ‘struggle for social justice.’....”\(^2\) These statements make Sirico’s claim that Centesimus Annus “constitutes the epitaph for liberation and collectivist movements in terms of any official ecclesiastical legitimacy” false.\(^2\)  

Centesimus Annus includes a hardly veiled endorsement of liberation theology, and John Paul II endorsed liberation theology several times in other documents, as we have already seen. Liberation theology has continued to receive endorsement from the Roman Magisterium during the past twenty years, that is, during the reign of John Paul II.

Section 15 of Centesimus Annus endorsed all sorts of government intervention, and concluded with this paragraph:

The Encyclical [Rerum Novarum] and the related social teaching of the Church had far reaching influence in the years bridging the nineteenth and twentieth centuries. This influence is evident in the numerous reforms which were introduced in the areas of social security, pensions, health insurance and compensation in the case of accidents, within the framework of greater respect for the rights of workers.

\(^2\) While the Pope proclaimed the right to private ownership, he affirmed with equal clarity that the ‘use’ of goods, while marked by freedom, is subordinated to their original common destination as created goods” (John Paul II, Centesimus Annus [1991], 30.2).

\(^2\) Sirico, “Catholicism’s Developing Social Teaching,” 474.


\(^2\) Nineteenth century Roman Catholic historian Lord Acton’s comments about the Roman Catholic apologists of his day are timeless. He wrote a letter to Dollinger explaining that his reading of history had convinced him that a common vice is “to defend one’s cause by unfair or illicit means.” Acton had studied, with “infinite credulity and trust” the most eminent Roman Catholic writers of his day. But he found that what they told him was “on

many decisive questions, false.” Acton came “very slowly and reluctantly indeed to the conclusion that they were dishonest.” A special reason for their dishonesty was “the desire to keep up the credit of authority in the [Roman] Church.” The Roman Catholic scholars ignored moral standards in their study of history, because “it is impossible honestly to apply a moral standard to history without discrediting the [Roman] Church in her collective action.” In order that “men might believe the Pope, it was resolved to make them believe that vice is virtue and falsehood truth.” This defect was not due to ignorance or incompetence. Acton found it in “the ablest, in the most learned, in the most plausible and imposing men” he knew. These men “who were outwardly defenders of religion,” were actually “advocates of deceit and murder.” The “great point was that these men justified things to which in the past the papacy stood committed. They wished men to think that those things had not happened, or that they were good. They preached falsehood and murder” (quoted in Hugh MacDougall, The Acton-Newman Relations, New York: Fordham University Press, 1962, 141-142). In his History of Freedom, Acton declared that the claims of the ultramontanists, the advocates of the infallibility of the pope, were based on “unremitting dishonesty in the use of texts.”
What was that far-reaching influence of *Rerum Novarum* to which John Paul II referred? In Europe *Rerum Novarum* granted the moral authority and the political support of the Roman Church-State and Roman Catholic voters to the rising tide of statism in all its forms except atheistic Communism: socialism, fascism, and Nazism. In the United States, it fueled the rise of the labor union movement, the Progressive movement, and interventionism. Aaron I. Abell, Professor of History at the University of Notre Dame, sketched the influence of *Rerum Novarum* in the United States.

In 1917 the hierarchy of the Roman Church-State in the United States formed the National Catholic War Council, the predecessor of the National Conference of Catholic Bishops. In 1919 the Council’s Administrative Committee issued a plan for social reconstruction, written by John Augustus Ryan, a Jesuit. The plan, following the proposals of Ryan’s 1908 book, *A Living Wage*, advocated social insurance against unemployment, sickness, invalidity, and old age; a federal child labor law; legal enforcement of labor’s right to organize; public housing for the working classes; graduated taxes on inheritances, incomes, and excess profits; stringent regulation of public utility rates; government competition with monopolies; worker participation in business management, and so forth. When Franklin Roosevelt was elected President in 1932, he asked Monsignor Ryan to join his administration, which Ryan did.

Fifty-four years ago Abell pointed out that “A social view of property....served as the entering wedge for much contemporary and future American Catholic participation in social reform.” Sirico asserted, contrary to the evidence, that this interpretation of *Rerum Novarum* “has over-emphasized the social view of property. This reflects a bias [in the interpreters] against individualism and self-interest.....” But, as we have seen, the bias against individualism and self-interest is the bias of the Roman Church-State, demonstrated through many quotations from papal encyclicals. Sirico’s alleged conspiracy of leftwing interpreters who have twisted the pope’s “finely honed defense of private property” and capitalism into an endorsement of interventionism and social reform is a fantasy. It would be difficult to over-emphasize the bias of the Roman Church-State against private property, self-interest, and capitalism.

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26 Sirico admitted that “Rerum Novarum became the springboard for the burgeoning labor movement in America and Europe” and that “To the [social] reformer’s [sic] mind, Leo’s encyclical gave them the support and recognition they needed to carry out their program” (Sirico, “Catholicism’s Developing Social Teaching,” 467).


30 Sirico, “Catholicism’s Developing Social Teaching,” 467.

31 Even in *Centisimus Annus* the pope re-affirmed the hostility of the Roman Church-State to individualism: “In order to overcome today’s widespread individualistic mentality, what is required is a concrete commitment to solidarity and charity...” (49.2).

32 Novak also attempted to put a spin on past encyclicals with these words: “As the last act of a play often changes the meaning of what went before, so in particular *Centisimus Annus* in 1991 cast new light on...
Furthermore, that bias continues to be expressed by the Roman Church-State, even in the very encyclical that Sirico told us is an endorsement of capitalism.\textsuperscript{33} After admitting that “the modern business economy has positive aspects,”\textsuperscript{34} the pope wrote:

Many other people, while not completely marginalized, live in situations in which the struggle for a bare minimum is uppermost. These are situations in which the rules of the earliest period of capitalism still flourish in conditions of “ruthlessness” in no way inferior to the darkest moments of the first phase of industrialization..... The human inadequacies of capitalism and the resulting domination of things over people are far from disappearing.\textsuperscript{35}

Furthermore, John Paul II wrote,

It is right to speak of a struggle against an economic system, if the latter is understood as a method of upholding the preceding hundred years of papal social thought” (\textit{The Catholic Ethic and the Spirit of Capitalism}, xv).

Economists sometimes forget that Karl Marx’s and Friedrich Engels’ endorsement of the achievements of capitalism in \textit{The Communist Manifesto}: “Modern industry has established the world market, for which the discovery of America paved the way. This market has given an immense development to commerce, to navigation, to communication by land.... It [the bourgeoisie] has accomplished wonders far surpassing Egyptian pyramids, Roman aqueducts, and Gothic cathedrals; it has conducted expeditions that put to shame all former Exoduses of nations and crusades.... The bourgeoisie, during its rule of scarcely one hundred years, has created more massive and more colossal productive forces than have all preceding generations together” (\textit{The Communist Manifesto}, Washington Square Press [1848] 1964, 60-65).

No doubt the “positive aspects” of the modern economy, though not listed by the pope, include the many government interventions in business and the economy long advocated by the Vatican. Such intervention seems to be the reason John Paul II distinguished between “early,” “unbridled,” and “primitive” capitalism, and the “modern business economy.”\textsuperscript{35}

Furthermore, the absolute predominance of capital, the possession of the means of production and of the land..... In the struggle against such a system, what is being proposed as an alternative is not the socialist system, which in fact turns out to be State capitalism, but rather a society of free work..... Such a society is not directed against the market, but demands that the market be appropriately controlled by the forces of society and the State.....\textsuperscript{36}

Furthermore,

.....it is unacceptable to say that the defeat of so-called “Real Socialism” leaves capitalism as the only model of economic organization.\textsuperscript{37} .....if by “capitalism” is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality....then the reply [to the question, “Is capitalism the model for the Third World?”] is certainly negative.\textsuperscript{38}

Building on the interventions that are already in place, the Roman Church-State wants more:

It is the task of the State to provide for the defense and preservation of common goods such as the natural and human environments, which cannot be safeguarded simply by market forces. Just as in the time of primitive capitalism the State had the duty of defending the basic rights of workers, so now, with the new capitalism, the State and all of society have the duty of defending those collective goods.....\textsuperscript{39}

\textsuperscript{33} John Paul II, \textit{Centisimus Annus} (1991), 35.2.
\textsuperscript{34} John Paul II, \textit{Centisimus Annus} (1991), 35.4.
\textsuperscript{35} John Paul II, \textit{Centisimus Annus} (1991), 42.2.
Contrary to what Sirico alleged, there seem to be only two sentences in the entire encyclical that might appear to lend any support to the market economy. One, as we have seen, is a mild criticism of bureaucratic ways of thinking and spending, which Sirico quoted. The other sentence, which Sirico did not quote, endorsed the “modern business economy” only on grounds of efficiency, not morality, as Sirico claimed, and the pope immediately qualified it:

"It would appear that, on the level of individual nations and of international relations, the free market is the most efficient instrument for utilizing resources and effectively responding to needs. But this is true only for those needs which are “solvent” insofar as they are endowed with purchasing power, and for those resources which are “marketable” insofar as they are capable of obtaining a satisfactory price. But there are many human needs which find no place on the market. It is a strict duty of justice and truth not to allow fundamental human needs to remain unsatisfied and not to allow those burdened by such needs to perish."

Sirico provided neither quotations – nor even any citations – to support his sweeping assertion that the encyclical gave a moral endorsement of profit, self-interest, and a stable currency. This writer has found no such statements in the encyclical either. Therefore, I am forced to conclude that Sirico’s assertion of a moral endorsement of capitalism by the Roman Church-State in *Centesimus Annus* is false. Perhaps Sirico was confused by John Paul II’s reference to certain character traits as “virtues,” namely industriousness, diligence, prudence, courage, and reliability, but endorsement of these character traits does not constitute an endorsement of profit, self-interest, and a stable currency, let alone capitalism. John Paul II tentatively ("It would appear") praised only the efficiency of the free market, and he did so only after the Communist systems of Europe had collapsed. But even that tentative praise was immediately weakened and qualified, and the paragraph concluded with the pope asserting, on moral grounds, the duty of the State “not to allow fundamental human needs to remain unsatisfied,” as they would in a free market, even a market already regulated by government. This one tentative sentence about the efficiency of the market was buried in the middle of a document that repeatedly condemned real (early unbridled, and primitive) capitalism and repeatedly re-affirmed the Roman Church-State’s commitment to her fundamental social principles of the universal destination of goods, the primacy of need, and government regulation and control of the economy.

One can sympathize with a Roman Catholic who is embarrassed by the fact that his allegedly infallible Church has preached collectivism and condemned capitalism on moral grounds for more than a century. One can even understand such a Roman Catholic’s desire to reinterpret any phrase from the pen of his “infallible” leader that might be made to favor capitalism and freedom. But neither our sympathy nor his embarrassment is an excuse for misrepresenting *Centesimus Annus* as a moral endorsement of capitalism. Sirico’s claim that *Centesimus Annus* is “a repudiation of the entire collectivist agenda, root and branch” has no support in the text itself.

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