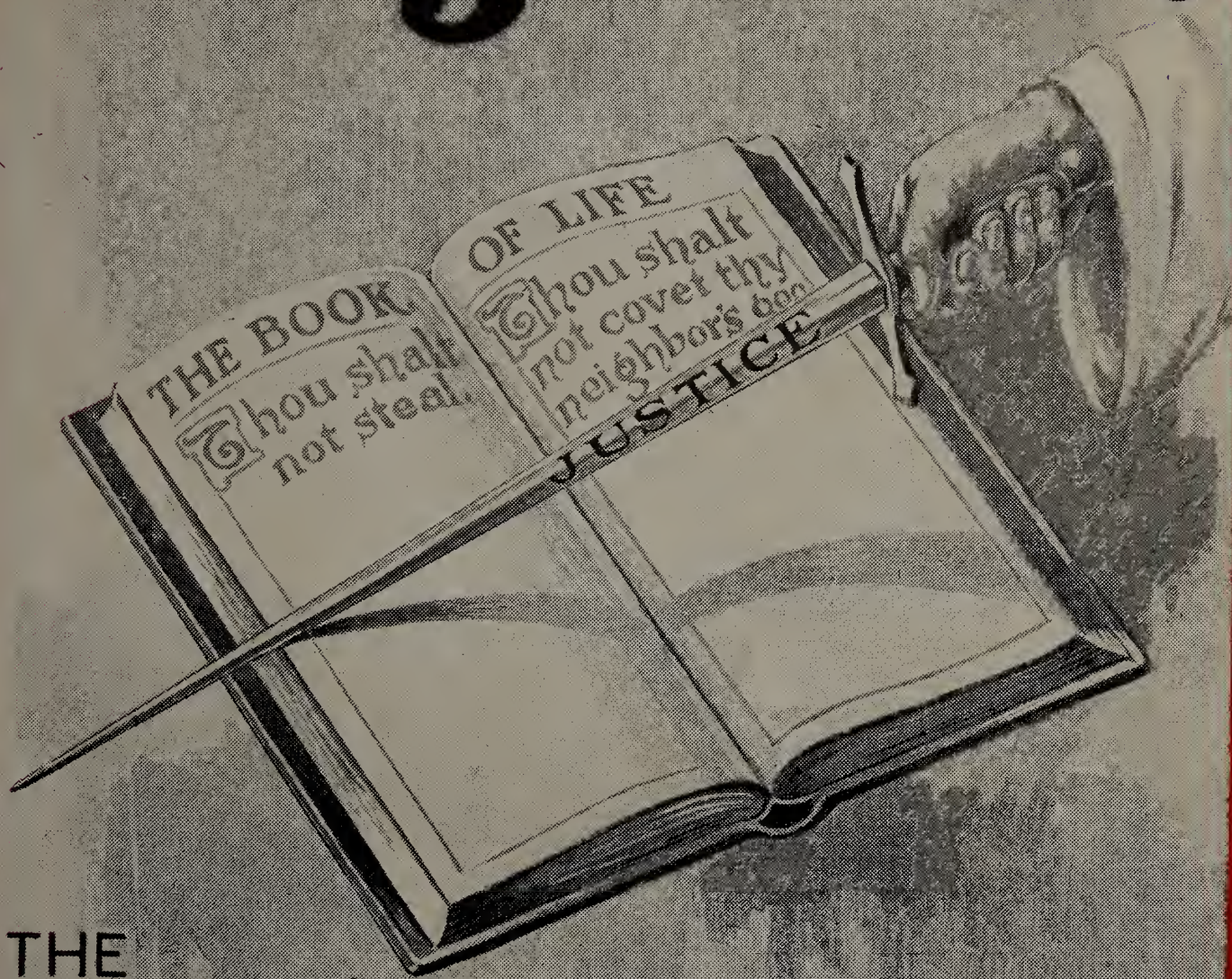


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# DEAL Honestly and Justly!



THE  
SEVENTH  
AND TENTH  
COMMANDMENTS

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# Deal Honestly and Justly!

*The Seventh and Tenth Commandments*

With Discussion Club Outline

By

REV. GERALD C. TREACY, S.J.



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## THE SEVENTH AND TENTH COMMANDMENTS

The Seventh Commandment is:

*"Thou shalt not steal"* (Exodus xx. 14).

The Tenth Commandment is:

*"Thou shalt not covet thy neighbor's house, . . ."*  
(Exodus xx. 17).

PIUS XII asks us to pray for peace. But the peace we pray for is *peace with justice*. For that is the only true peace. Peace means more than the silencing of guns and the signing of treaties. No peace is possible unless the principles of justice are made the foundation of national and international life. Pius XII explains these foundations in five points:

1. The assurance to all nations of their right to life and independence. The will of one nation to live must never mean the sentence of death passed upon another. When this equality of rights has been destroyed, attacked or threatened, order demands that reparation shall be made, and the measure and extent of that reparation is determined not by the sword nor by the arbitrary decision of self-interest, but by the rules of justice and reciprocal equity.
2. This requires that the nations be delivered from the slavery imposed upon them by the race for armaments, and from the danger that material force instead of serving to protect the right, may become an overbearing and tyrannical master. The order thus established requires a mutually agreed organic, progressive disarmament, spiritual as well as material, and security for the effective implementing of such an agreement.
3. Some juridical institution which shall guarantee the loyal and faithful fulfilment of conditions agreed upon, and which shall in case of recognized need revise and correct them.
4. The real and just demands of nations and populations and racial minorities to be adjusted as occasion may require, even where no strictly legal right can be established, and

a foundation of mutual confidence to be thus laid, whereby many incentives to violent action will be removed.

5. The development among peoples and their rulers of that sense of deep and keen responsibility which weighs human statutes according to the sacred and inviolable standards of the laws of God. They must hunger and thirst after justice and be guided by that universal love which is the compendium and most general expression of the Christian ideal.

The seventh and tenth commandments enjoin justice. And what does justice mean? It means giving everyone what belongs to him by right. Now there are many kinds of rights. There are personal rights, social rights, international and national rights. Our *Declaration of Independence* speaks of inalienable rights. That means rights so intimate to the human person that they may not be either given or taken away. God gives them when He creates man. A man has them because he is God's creature and God's child. No human power may take them from him.

### Justice

Justice is a virtue that has to do first with the relationship between man and man. It balances the exercise of rights between man and man. This is called commutative justice. But man has other rights as he has other duties. For it must never be forgotten that every right brings with it a duty. For example parenthood implies the right to command and exact obedience. But it likewise implies the duty of commanding justly, reasonably, lovingly. Every man has certain rights and duties because he is a citizen. He has the right to liberty, not any kind of liberty but liberty under law. So he has the duty to observe the law. In fact law is the safeguard of liberty. Liberty without law is anarchy.

Americans by and large are sadly lacking in the proper understanding of law. To nine out of ten the idea of law is merely the idea of restriction. So we have been called the most lawless nation in the world. Our crime statistics bear out this unenviable reputation. For example in 1946 a major crime took place every 18.7 seconds. During the average day

thirty-six persons were slain, thirty-three raped, and 185 others feloniously assaulted. Every day also brought 172 robberies, 981 burglaries, 630 automobile thefts, and 2,580 miscellaneous larcenies. Every 5.7 minutes during 1946 there was a murder, manslaughter, rape or assault to kill. This is the report of J. Edgar Hoover, director of the Federal Bureau of Investigation, issued March 5, 1947. "To achieve even greater success in combating crime," Mr. Hoover declares, "we as citizens must be made to feel our responsibilities. One solution to the problem of youth in crime lies in providing the proper background and education for our young people. The necessity for a concentration of effort along these lines becomes apparent when we realize that one of every five persons arrested is under the voting age."

Freedom under law is the true American principle, for the only real freedom is the freedom to do what is right, to do what is becoming the nature of man. Any other freedom is license, that "unbridled license," as Leo XIII calls it, "which was wildly conceived and boldly proclaimed as the foundation of that *new jurisprudence* which is at variance with not only the Christian but the Natural Law." This false jurisprudence Leo XIII condemned more than fifty years ago in his encyclical *The Christian Constitution of States*. For it falsely proclaimed that "each one is so far his own master as to be in no sense under the rule of any other individual; that each is free to think on every subject just as he may chose, and to do whatever he may like to do, and that no man has any right to rule over other men."

These tenets under the high sounding term of liberalism ran riot during the last century. The last century's riot has become the present century's chaos. Until the reign of justice is restored the chaos will continue. For it is justice that regulates the citizens' rights and duties toward the nation, and this is called legal justice. But the nation, that is a group of people with a common ideal and a common way of life, has rights and duties towards its citizens. These rights and duties are regulated by justice, and this is called distributive justice. This virtue looks to the nation as the distributor of common

duties and privileges, so that all the citizens of the nation may live together peaceably and enjoy the exercise of their human rights. Legal justice regards the rights which the nation can claim from its parts—the citizens—for the sake of its own preservation and good. Distributive justice regards the rights which the parts, that is the citizens, can claim from the nation, which is the whole. For the whole exists for the good of the parts. We call that good the common welfare.

Now in regard to duties, legal justice obliges the supreme authority of the State to establish just laws and govern well. It obliges citizens to obey just laws and co-operate with government for the common welfare. Every good act that can further the common welfare is the subject matter of legal justice.

### **Ownership and Property**

It is evident then that justice has to do with rights and duties. Now we may have a right *in* a thing and right *to* a thing. When we possess something as our own and have immediate power over it, we have a right *in* a thing. But we have a right to a thing when the thing is not in our possession, but when another person has the duty to allow us to possess the thing or dispose of it as we wish. For example an employee has a right to his wages for services rendered; when he has received them he has the right to keep them or to use them as he chooses.

Ownership means complete control over an object according to law. When the right includes possession, use and disposal, it is absolute ownership. A man has not absolute ownership over his life but he has over his goods. Briefly man has property rights. This right to property derives from the Law of Nature, is proclaimed by God's commandments and upheld by the constant teaching of the Church. Every individual has the natural right to possess and hold property, landed or other kinds, for his own exclusive use, to call it his own, to use it as his own, and to give or bequeath it to others. For the common good as well as for individual good it is necessary that there should be private ownership of some things.



The good of the family requires that man should possess private property. This right is inalienable and precedes any claim of State ownership, for the simple reason that man precedes the State, has his natural rights independent of the State, and makes the State. The State does not make him. Pope Pius XI in his encyclical *Quadragesimo Anno* has this to say of property:

Let it be made clear beyond all doubt that neither Leo XIII, nor those theologians who have taught under the guidance and direction of the Church, have ever denied or called in question the twofold aspect of ownership, which is individual or social accordingly as it regards individuals or concerns the common good. Their unanimous contention has always been that the right to own private property has been given to man by nature or rather by the Creator Himself, not only in order that individuals may be able to provide for their own needs and those of their families, but also that by means of it, the goods which the Creator has destined for the human race may truly serve this purpose. Now these ends cannot be secured unless some definite and stable order is maintained.

There is, therefore, a double danger to be avoided. On the one hand, if the social and public aspect of ownership be denied or minimized, the logical consequence is Individualism, as it is called; on the other hand, the rejection necessarily leads to some form of Collectivism.

We reassert in the first place the fundamental principle laid down by Leo XIII that the right of property must be distinguished from its use. It belongs to what is called commutative justice faithfully to respect the possessions of others, not encroaching on the rights of another and thus exceeding the rights of ownership. The putting of one's own possessions to proper use, however, does not fall under this form of justice, but under certain other virtues, and therefore it is a duty not enforced by courts of justice. Hence it is false to contend that the right of ownership and its proper use are bounded by the same limits; and it is even less true that the very misuse or even the non-use of ownership destroys or forfeits the right itself.

It follows from the twofold character of ownership,

which We have termed individual and social, that men must take into account in this matter not only their own advantage but also the common good. To define in detail these duties, when the need occurs and when the natural law does not do so, is the function of the government. Provided that the natural and divine law be observed, the public authority, in view of the common good, may specify more accurately what is licit and what is illicit for property owners in the use of their possessions. Moreover, Leo XIII had wisely taught that the defining of private possession has been left by God to man's industry and to the laws of individual peoples.

It is plain, however, that the State may not discharge this duty in an arbitrary manner. Man's natural right of possessing and transmitting property by inheritance must be kept intact and cannot be taken away by the State from man. Hence, the domestic household is antecedent, as well in idea as in fact, to the gathering of men into a community.

The prudent Pontiff had already declared it unlawful for the State to exhaust the means of individuals by crushing taxes and tributes. The right to possess private property is derived from nature, not from man; and the State has by no means the right to abolish it, but only to control its use and bring it into harmony with the interests of the public good.

However, when civil authority adjusts ownership to meet the needs of the public good it acts not as an enemy, but as the 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.

The stress the Church lays on the property right does not mean that this right is unlimited. No one has an unlimited right to anything. God alone has that. So ownership has its limitations, for example the extreme necessity of others, the common good of society, and necessary charity to the poor. Whether I own one field or a million acres, whether I have a

bulging bank account or a few dollars, my title to ownership does not allow me to ignore the extreme need of those in want or the common welfare of my fellows. My right remains intact. The proper use of my right is determined by the above-mentioned factors. Private property then cannot justly be used for the exclusive profits or pleasure of the owner. Even the Law of Nature demands that those who have superfluities must share them with those in dire need. Moreover, if individuals of great wealth will not observe this command of Nature which is also God's command, the State has the duty of obliging them to do so for the common good and the relief of their fellow-citizens in great need. Pope Pius XI in *Quadragesimo Anno* makes this point very clear:

At the same time a man's superfluous income is not left entirely to his own discretion. We speak of that portion of his income which he does not need in order to live as becomes his station. On the contrary the grave obligations of charity, beneficence and liberality which rest upon the wealthy, are constantly insisted upon in telling words by Holy Scripture and the Fathers of the Church.

### **Theft and Rapine**

To steal means to take the property of another, to deprive another of that to which he has a right. He is the lawful owner and no one may justly invade his right. To steal secretly is called theft, to steal openly and with force is called rapine. Theft is a sin against commutative justice, that is the justice that should prevail between individual and individual. It is also a sin against legal justice. Rapine is also against personal immunity. Theft like all injustice is a sin against charity for every harm done to another is against the good that charity bids us do to others. It is a serious sin if the injury done is serious. It is a slight sin if the harm done is slight. On this topic Father Henry Davis, S.J., says: "Theft is by its nature a grievous sin. However it would be only a slight sin against justice if the injustice is slight. It is a sin against a commandment of God, and we cannot enter into eternal life if we violate the commandments in a serious way unless we

repent (Math. xix. 17). St. Paul enumerates theft among those sins which exclude from heaven. "Nor thieves, nor covetous, nor extortioners . . . shall enter the kingdom of God" (1 Cor. vi. 10). It is against the Natural Law, for if the goods of others could be taken without moral fault, there would be an end to social peace, stability and progress. But a small theft not being a serious threat to these social goods is not a serious moral fault. It is necessary therefore to suggest some standard by which to determine when theft is a serious injustice and when it is not. . . . The standard must be determined by the harm actually done, for we must speak of objective, concrete and actual injustice, and prescind from the personal annoyance of the victim of theft and the subjective conscience of the thief. We must speak of standards that affect both the individual and society. . . . The standard in respect to the individual robbed is determined by the injustice done to him, and this is measured by that individual's condition of living. It is a relative standard; it must vary considerably. The same amount stolen will not affect rich and poor equally. A rich man would not feel a loss which to the poor would be a most serious one.

"The second standard has reference to society and this is an absolute standard for a particular country at a particular time, on the supposition that throughout the country the exchange value of money is uniform. . . . It is true to say therefore, that there is an absolute sum, the unjust taking of which is certainly and always against a serious precept of Natural Law. This is the absolute standard."

### **Restitution**

To obtain forgiveness from God for the sin of theft we must not only confess but we are obliged to restore what does not belong to us. We are bound to restitution. Restitution means giving up and giving back. We give up what does not belong to us. We give back to the lawful owner what is his. If the lawful owner cannot be found we give our ill-gotten goods to the poor. For we have no claim to hold them. Justice demands that we surrender them. It is an act of commutative justice—the justice between man and man—by which what

is taken away is returned, and the injury done the lawful owner is repaired. It is also an act of legal justice. Restitution is the test of the sincerity of the unlawful possessor. So it should be done promptly and fully. If the unlawful owner has spent what he has stolen, and cannot immediately make restitution, the obligation to restore does not cease. Circumstances of course affect individual cases. If the rightful owner cannot be found at once or easily, a certain time must be allowed for the restitution to be made. If after diligent search the owner cannot be found, the unjust possessor should give his possessions to the poor.

Like the precept of almsgiving the precept of restitution is positive: "If the wicked man restore the pledge, and render what he has robbed, and walk in the commandments of life, and do no unjust thing, he shall surely live and shall not die" (Ezechiel xxxiii. 15). And St. James speaks as clearly as the prophet: "Go to now ye rich men, your gold and silver are cankered, and the rust of them shall be for a testimony against you, and shall eat your flesh like fire. You have stored up to yourselves wrath against the last days. Behold the hire of the laborers who have reaped down your fields, which by fraud has been kept back by you, crieth; and the cry of them hath entered into the ears of the Lord of Sabaoth" (James v. 1-4).

Moral theologians in treating of restitution lay down certain principles that may be summarized in this way: The undisputed owner of anything has the right to own it and dispose of it as he pleases. If another unjustly withholds the thing from the owner, he is obliged to restore it. Again such owner alone has the right to the natural product of his goods. Finally when a thing perishes, the owner is ordinarily the loser. If a man unjustly holds something that rightfully belongs to another he must restore it as soon as possible. If he cannot restore the actual thing he must restore its equivalent. If he has destroyed the thing, given it away or sold it, he must restore its value to the owner. During his unjust possession if the thing has perished, he must make good the owner's loss. If a thing unjustly possessed increases in value from natural

causes without any effort made by the unjust possessor, the increased value must be restored.

As in our present economic system money is productive, long delay in paying legal debts, whose money equivalent would normally bring interest, places the obligation on the unjust possessor of restoring the money with interest at the current interest rate. Those who knowingly circulate counterfeit coin are obliged to restore to him who has suffered loss in consequence. If the individual injured cannot be found, restitution must be made by giving to the poor the equivalent in real money, or applying it to some charitable project. By the fact that counterfeit coin has been passed on to us, we are not justified in passing it on to others. Our ill luck does not justify us in defrauding others.

### **Spiritual Possessions**

Our possessions are not only material things. There are spiritual values that belong to us. And no one has the right to take them from us. If they do they are obliged to restore them as far as that is possible. If a man has been induced to sin, through violence, fraud, or fear, the harmful effects of such sin must be repaired. If a man has been led into error which has a practical bearing on life, the error must be corrected and the evil effects of it repaired. The tenets of our Catholic Faith and the principles of morality are great spiritual treasures. They can be taken from us by the pagan writers of the day. For that reason the Church guards the printed word so carefully and forbids our reading books that are against Faith and morals. Nor is it difficult to realize the great responsibility of the writer who poisons the wells of life by his immoral message even though the message may be clothed in all the beauty of an attractive style.

### **The Payment of Bills**

Modern business has recourse to various means to insure the payment of bills. That this should be necessary is a significant commentary on the common attitude toward financial obligations. To get out of paying a bill is frequently talked

about as if it were a clever thing deserving of commendation. Or to delay as long as possible in settling accounts is at times spoken of as smart business practice. The truth is of course that justice is violated in both instances. And as the seventh and tenth commandments enjoin justice, to dodge the payment of a bill or to delay the payment when delay is not necessary is a violation of these commandments.

So it happens at times that a man may be legally right and morally wrong. The State authority for very good reasons may outlaw a debt after a lapse of years. This is within the competence of the State and a citizen taking advantage of it may be a very good citizen. That is to say, he will be obeying the law. He will be legally right. However, the fact remains that there is a higher law governing the human conscience and that is God's Law. And God's Law speaking very plainly in these commandments does not outlaw any debt merely by the lapse of time. If I owe something to my neighbor today and have to put off payment because I am unable to pay, the lapse of time does not cancel my debt in God's sight. If I am able to pay after fifty days or fifty years I should pay, for the very simple reason that what I am keeping as my own is not my own.

Restitution also is likewise due for defamation and dishonor. The detractor and calumniator are obliged in justice to repair the harm they have done. The calumniator must retract his lie, the detractor must bend every effort to restore the good name of the person he has injured. To repair honor that has been outraged, some honor must be shown to the person dishonored.

Good name in man and woman, dear my lord,  
Is the immediate jewel of their souls,  
Who steals my purse, steals trash; 'tis something nothing;  
'Twas mine, 'tis his and has been slave to thousands.  
But he that filches from me my good name,  
Robs me of that which not enriches him,  
And makes me poor indeed.

Othello, Act 3, Scene 3.

## Observance of Contracts

These two commandments in their positive scope enjoin honesty in the fulfilling of contracts. A contract is a mutual agreement entered into by two or more persons to do or not to do certain things. It is a promise accompanied by an external sign. There are civil laws specifying the conditions of a contract and the penalties for non-fulfillment. Every contract must be possible of fulfillment. Neither divine nor human law calls for the impossible. The object of a contract cannot be something that is morally wrong, nor can it be about something that is already due to another in justice. The Law of Nature allows any person who has the use of reason to enter into a contract in regard to whatever he owns and has the right to dispose of. Positive law either civil or Church law may place definite conditions for a valid contract. The Church does this as we know in the Sacrament of Marriage. For marriage is both a sacrament and a contract.

Free consent is necessary for every contract. If this is lacking the contract is void. It stands to reason that this consent must be mutual. If an offer is made the contract is complete when the offer is accepted. If a mistake is made, for example in the instance when the contracting parties did not mean the same thing either in regard to the kind of contract they wished to enter upon, or the subject matter contracted for, or in the identity of one of the parties, there is no contract. The mistake must be then one of *fact*.

Fraud of course nullifies a contract. For by fraud we mean deception or trickery by which the right or interest of another is harmed. Fraud is present in buying and selling when a falsehood is stated or the truth suppressed. In buying and selling two things have to be considered, the price and the merchandise. The price may be a *legal* price. This means the law fixes the value of goods and the price of their sale. Or it may be the common market price, which is determined by the common consent of traders and buyers and sellers. According to common opinion the market price admits of latitude and is distinguished into, the highest, medium and lowest



price. Not to observe the legal price if there is one, or to exceed the limits of the market price, or to practice fraud within the limits of that price by selling at a dearer rate and buying at a lower rate and so deceive customers, is against justice and calls for restitution. This, of course, has nothing to do with the legitimate profit that the seller is entitled to who purchases at the wholesale price and sells at the retail price. Fraud means the unfair manipulation of prices in a definite market that has a definite price scale.

In respect to merchandise, to sell an article which is really defective in substance, quantity or quality as entire and complete is against justice and obliges the seller to restitution. When a buyer inquires if the article is defective the seller is obliged to declare the defect. The purchaser is not obliged to live up to his contract who discovers a defect in his purchase of such a kind as to make the article worthless, or of much less value than the seller claimed for it.

### **Graft**

Like fraud, extortion is against God's justice as proclaimed in these commandments. In general, extortion means to force a person by threats to pay money he does not owe or perform some service that he is not obliged to perform. It applies particularly to public officials who use their official position to obtain money or favors to which they are not entitled. Americans, when they speak of extortion in this sense, call it graft. Every reform wave that has swept over our country from time to time is a protest against graft. It is the honest reaction of the ordinary citizen against the dishonesty of the public official. It is a reminder to the public official that he is not exempt from the command: *Thou shalt not steal.*

As our democratic government depends on the party system, public office is generally controlled by the party in power. Every party has its leaders, big and little. These leaders have the appointment of any number of officials. For a leader to appoint an official in return for money received is a sin against justice and honesty. For a public official to accept money for the fulfillment of those duties which belong to his office, and

the oath of his office is to violate that oath and to commit the sin of theft. Every misappropriation of public funds is theft. For public funds come from the taxes of the people and are only used in justice for the good of the people. In the awarding of contracts for public works, the acceptance of bribe money from the individual securing the work, brands the public official with the sin of theft.

Since Andrew Jackson took office as President of the United States our citizens at large have acquiesced in the spoils system. Jackson contended that his election by the people was "a mandate by the people to fill the offices with his political adherents." The system has contributed a good deal to dishonesty in public life. But it is not the full explanation of the corruption that has stained American public life all through the years. The level of morality in public life cannot be higher than the level in private life. The pagan principles of unrestrained capitalism that for years have governed the business life of Americans, as they have swayed in fact the business of all nations, stand out in bolder relief in the political life of the nation. Political life is corrupt when business life is corrupt. And both business and political life reflect private life. Unless the individual realizes that the commandments of God enjoining honesty apply to every action of his life, private, business and political actions, there will be public corruption.

The Catholic in public life who is guilty of the sin of graft is also guilty of the sin of scandal. For he brings the sacred name of the Church into disrepute. While it is unreasonable to blame the Church for the sin of the grafting Catholic, nevertheless it is the Church that suffers more than the guilty individual. It is unquestionably true that the progress of the Church in America has been hampered much more by the scandal of the Catholic grafter than by all the attacks of the bigot and the fanatic.

Father Edward Lodge Curran has stated the Catholic position very clearly in the pamphlet entitled *Graft*: "To destroy the cancer of graft that has been so virulent within the tissue of our American democracy, there must be a constant, awak-

ened, watchful and industrious public opinion, a public opinion that can be crystallized into a determination to repudiate the grafter at the polls no matter from what race he has sprung and no matter to which religion he belongs. Lay leaders in the ranks of Judaism, Protestantism and Catholicism must combine in a steady effort to disclose the presence of graft and in a strong battle to repudiate the grafters when discovered. In such a campaign Catholics are fortified by the century old teachings of the Church. In her concept sin is the leprosy of spiritual existence. Graft is the leprosy of public vitality. It is not enough to have the truth. We must know the truth and apply the truth. Only then can a knowledge of the truth make us free. By her doctrine of the divine source of all civil authority and by her insistence on the spiritual character of civil obedience the Church stands in the forefront of those who dream of a purer official life in all the ranks and departments of our diversified American government. The Catholic press, the Catholic public platform, and the Catholic leader must hold all Catholic officials to a strict accountability. There was, to be sure, but one Judas amongst the twelve Apostles. Yet, his isolated betrayal was sufficient to accomplish the death of Christ. There may be, likewise, but few faithless Catholic officials in the great ranks of Catholic public officeholders. Yet, their isolated malfeasance may be the efficient cause of ruining the reputation of the Church, who with charity towards all and malice toward none, seeks to draw the mind and the heart of all humanity to God."

Will Durant laments the fact that "the tragedy of American democracy is that it has liberated and generated ability beyond any precedent, and has used it less in government than ever in history before. This nation is rich in brainy men, . . . but our political machinery is not designed to find them, much less to let them serve." The lack of *brainy* men in public life is not the tragedy of American democracy. The lack of *moral* men is the tragedy. Durant comes closer to the truth when he remarks that "an ounce of character is worth a ton of intellect." The man of intellect may flatter himself in the conceit that he can deceive his fellows and cover up his public

graft, or brazen it out by means of dishonest legal maneuverings. The man of character has only one interest, God's Law. And God's Law proclaims: *Thou shalt not steal.*

## **Usury**

Usury which means excessive interest is a violation of justice. The rate of interest on money that is fixed by law is known as the legal interest. To exceed that rate is wrong. Before the industrial age when money became productive, as it is today, receiving interest for the loan of money and by virtue of that loan was not allowed by Christian teaching and practice. So we find it condemned by St. Thomas Aquinas. With the growth of industrialism money assumed a different character and so a loan was considered a risk, and as a risk entitled the owner of the money loaned, to interest. Civil Law has established certain titles to legal interest, as there might be real or probable loss in extending a loan, and there might be a chance of losing the principal.

To retain ill-gotten goods is a sin against justice. This sin may be committed (1) In not restoring a deposit that is loaned or by receiving stolen property. (2) In taking advantage of mistakes made in reckonings and accounts. (3) In keeping property that was acquired in good faith, but later discovered to belong really to another. (4) In not rendering a just account of things entrusted to our management. (5) In not paying employees the just wages due to them. (6) In not paying just debts. (7) In keeping an article found without endeavoring to discover the owner, or in not surrendering it when the owner appears. (8) In not keeping promises and contracts made and received in all matters of justice.

## **The Wage Contract**

In a query of the *Michigan Labor Leader* Catholic employers were challenged to examine their consciences under the three following headings: "Have I by act or omission led workingmen to lose faith in God? Have I failed to recognize the workers' rights, especially the right to organize, to collective bargaining, and to a living wage as outlined by the

Popes? Have I made light of the Papal Encyclicals or the Bishops' programs, as being too idealistic for the demands of business?" This query applies to all employers not merely to Catholic employers. For the principles of social justice laid down in the encyclicals are not merely for Catholics but for everyone, as everyone is bound by the Law of Nature and by our Lord's teaching. Only those who have never heard of Christ's teaching are excusable in violating social justice.

The wage contract is a mutual agreement between employer and workman. It means that the worker guarantees a fair day's work for a fair day's pay. And a fair day's pay means a living wage. As Leo XIII points out in *Rerum Novarum* labor has two characteristics. It is *personal* and it is *necessary*. As personal it is the exercise of a personal power for a definite personal profit; as necessary it is effort put forward that the worker may live. "In the sweat of thy face thou shalt eat thy bread" (Gen. iii. 19). If labor were *merely* personal any wage freely agreed upon by employer and employee would be just. But as it is also *necessary*, it is evident that the worker is entitled to obtain a wage whereby he may live. So we find Leo XIII stating:

The preservation of life is the bounden duty of each and all and to fail therein is a crime. It follows that each one has a right to procure what is required in order to live; and the poor can procure it in no other way than by work and wages.

Let it be granted then, that as a rule workman and employer should freely agree as to wages; nevertheless there is a dictate of nature more imperious and more ancient than any bargain between man and man, that the remuneration must be enough to support the wage-earner in reasonable and frugal comfort. If through necessity or fear of a worse evil, the workman accepts harder conditions because an employer or contractor will give him no better, he is the victim of force and injustice. . . . If a workman's wages be sufficient to enable him to support himself, his wife and his children in reasonable comfort, he will not find it difficult if he is a sensible man to study economy; and he will succeed by cutting down expenses in

putting by a little property. Nature and reason would urge him to do this.

What Leo XIII stated in 1891, Pius XI reaffirmed forty years later in his encyclical on *Reconstructing the Social Order*:

In the first place the wages paid to the workingman must be sufficient for the support of himself and his family. . . . Intolerable . . . is the abuse whereby mothers of families because of the insufficiency of the father's salary are forced to engage in work outside the home, to the neglect of their own proper cares and duties, particularly the education of their children. Every effort must therefore be made that fathers of families receive a wage sufficient to meet adequately ordinary domestic needs. If in the present state of society this is not always feasible, social justice demands that reforms be introduced without delay which will guarantee every adult workingman just such a wage.

Pope Pius XI in his encyclical *Divini Redemptoris* specifies three elements in a living wage: (1) proper support for the father and the family, (2) the opportunity of acquiring by thrift and economy a modest fortune, (3) suitable provision through public or private insurance for old age, sickness and unemployment. So a living wage does not mean *merely enough for a man to live on*, but includes the opportunity of providing against the proverbial rainy day. It must be enough for the support of the worker *and his family*. As man has the right to marry so has he the right to a wage that will provide his family with the necessities and reasonable comforts of life. The Pope urges the development of the wage contract into a partnership contract, so that the wage earner may become a sharer in some way of ownership, management or at least profits.

The employee on his part must live up to the demands of justice in giving a fair day's work. In his wage demands he must consider the state of the business. For to ask wages higher than the business can stand and yet survive, is to court ruin for the business, the employer and the worker. It is the

duty of the State, the employer and the worker to get together and determine the question of the just wage. It must never be forgotten that the community has interests that must be protected. Too long has capital looked out only for capital, and labor only for labor. And while government has no right to absorb industry just as it has no right to absorb the individual, it not only has the right but the duty to direct and supervise the relationship between capital and labor, founded on its right and duty to provide for the common good.

If capital is left to itself to dictate policies of work and wages, inevitably as has happened in the past, no interest will be looked after except the interests of capital. The result will be a wage scale too low with consequent unemployment. If labor has the sole determining power in the wage and hour question, the scale of wages will be pushed up so high that business will be forced to cut down man power, with the identical result—unemployment. Pius XI realistically declares:

The conditions of any particular business and of its owner must also come into question in settling the wage scale; for it is unjust to demand wages so high that an employer cannot pay them without ruin, and without consequent distress among the working people themselves. . . . Let employers and employees therefore join in their plans and efforts to overcome all difficulties. And let them be aided in this wholesome endeavor by the wise measures of public authority. . . . The guiding spirit in this crucial decision should be one of mutual understanding and Christian harmony between employers and workers. (*Reconstructing the Social Order.*)

The commandments safeguarding property and ownership are violated in the economic and business world when social justice is violated. Society is made up of individuals and groups. Society is a whole, groups are the parts. For society to thrive each group must be guaranteed justice. And without Christ's teaching permeating society there never will be a just social order.

For that reason the Church has much to say of the social order. From the time of Leo XIII when the industrial age was

filled with injustice to our own day when people are more social conscious the voice of the Church has sounded calling upon all men of good will to set the industrial house in order. Not only the Popes but the bishops in many lands have called for social action. The American hierarchy speaking through the Administrative Board of the National Catholic Welfare Conference issued a statement on *The Church and Social Order*, reiterating the Catholic teaching on property, ownership, labor, security, wages and the establishment of social order. It is a direct application of the seventh and tenth commandments to business and economic life. The American bishops state very plainly:

“It would be unreasonable to expect that an economic system which has been predicated on false principles and which has been operative over many decades could be reorganized suddenly or with the easy gesture of hasty legislation and new administrative policy. We face a problem which requires for its solution intellectual vision, moral integrity, and persevering effort. Many leaders both in the field of management and in the field of labor must first be convinced that *economic* laws and *moral* laws are in harmony and not in conflict with one another. No one section of human society can be grievously injured without that injury reacting harmfully in the final analysis upon all other sections of society.

“The remedy of our problems is not so simple as some would have us think. The solution is to be found in clear thinking and in a right conscience. Relying upon God’s Providence we dare not be pessimistic but at the same time we frankly recognize that a full restoration to a Christian social order is a matter of steady growth and not a sudden transition.”

The American bishops following the lead of Pius XI call for two reforms in our present economic system. First there should be re-established guild or vocational groups resembling the guilds of medieval society. These groups would bind men together according to their respective occupations and so secure a moral unity. Secondly before any social reconstruction takes place there must be a moral reconstruction in Christian



living. "The remedy is a frank and sincere return to the teaching of the Gospel. God must once more be recognized as the supreme end of all created activity; and all created goods as the instruments under God for the attainment of our final destiny. . . . In conformity with Christian principles economic power must be subordinated to human welfare, both individual and social; social incoherence and class conflict must be replaced by corporate unity and organic function; ruthless competition must give way to just and reasonable State regulation; sordid selfishness must be superseded by social justice and charity. Then only can there be a true and rational social order; then only can we eliminate the twin evils of insufficiency and insecurity, and establish the divine plan of a brotherhood of man under the Fatherhood of God."

### Summary

True peace is the tranquillity of order based on principles of justice. Pius XII explains these principles in five points. The seventh and tenth commandments enjoin justice. Justice means giving everyone what belongs to him by right. As there are many kinds of rights, justice has many phases. Every right implies a duty. I have a right to liberty, but I have the duty of observing the law that safeguards that liberty. The justice that balances the rights between man and man is called commutative justice. Americans by and large are lacking in the true understanding and appreciation of law. We have been called the most lawless nation in the world and our crime statistics bear out this reputation.

The only true freedom is the freedom to do what is right, to do what becomes a man. Shakespeare expresses it: *I dare do all that doth become a man, who dares do more is none.* This is American freedom. Anything else is license, not liberty, and leads to anarchy. Leo XIII condemned the false liberty of the liberals in his encyclical *The Christian Constitution of States*. The tenets of the liberals ran riot in the nineteenth century. The last century's riot has become the present century's chaos. Until the reign of justice is restored the chaos will continue. Legal justice is what regulates the citizens'

rights and duties toward the nation. Distributive justice is what regulates the nations' duties toward its citizens. The State is for the citizens, not the citizens for the State, and real government has for its purpose the common welfare. Real government is obliged to formulate good laws and govern justly. And citizens are obliged to observe just laws and co-operate with government for the common welfare. This briefly is the duty of government and the duty of the citizens.

A man may have a right in a thing and a right to a thing. Everyman has a right to property. He has a right *in* property when he is the actual owner. Whether he ever becomes an owner or not, he always has a right *to* property, for the right to property is a human right, a natural right that God gives every man. As a man has a right to own property it follows that he may do with it what he pleases within the law. Just property laws should not only safeguard the individual's right but should also safeguard the rights of others, for all law should safeguard the common welfare.

Pius XI in *Quadragesimo Anno* makes clear the twofold aspect of ownership, individual and social. He warns of a double danger in the property question from overlooking this twofold aspect. That double danger is Individualism and Collectivism. The right of property must be distinguished from its use. Commutative justice bids us respect the property rights of others. It is false to hold that the right of ownership and its proper use are bounded by the same limits, and it is likewise false to claim that the misuse or non-use of ownership forfeits the right itself. It is the function of government to specify what is licit and illicit for property-owners in the use of their rights. The State, however, is not justified in doing this in an arbitrary manner. Crushing taxes are not the proper means of restricting the property right. The proper means are fair laws that curb individual selfishness for the common good. In enforcing such laws the State acts as the friend and protector of private property. The Church does not teach that the property right is unlimited. No one has an unlimited right to anything. In the question of property and material possessions of all kinds, individual right is restricted by the

extreme needs of others, by the common good and by necessary charity to the poor.

Theft and rapine are forbidden by these commandments. Both are sins against justice. They are serious or slight if the injury done is serious or slight. To determine the gravity of these sins we have moral standards. They are our moral measuring rods. One is a relative standard, the other is an absolute standard. To obtain forgiveness for the sins against the seventh and tenth commandments, I am not only obliged to confess the sin but I must make restitution. This is the proof of the sincerity of the unlawful possessor. This precept of restitution is positive. Moral theologians lay down definite principles on restitution. The payment of bills is enjoined by these commandments. For to be slack in meeting our debts is against justice. Even though the law of the State may excuse the payment of debts after a lapse of years, God's Law does not excuse. A man can be legally right and morally wrong. As we have spiritual possessions as well as material possessions God's Law forbids us to deprive others of the spiritual treasures they own. And if we violate it in this matter we are bound to restitution.

The observance of contracts falls under these commandments. Every contract must be rooted in justice to deserve the name. Free consent is necessary for the validity of a contract. Fraud nullifies a contract. The contract of buying and selling is a real contract affected by two facts, the price and the merchandise. By price is meant either the legal price or the market price. The unfair manipulation of prices renders the seller guilty of fraud. In respect to the merchandise, to sell an article defective in substance is unjust, and the purchaser may repudiate the contract when the defect is discovered.

Extortion is a sin against these commandments. Graft is extortion. There are many forms of graft. The spoils system that for years has been accepted in American political life is a common source of graft. A real universal civil service system would do much to lessen graft in public life. It could not, however, completely destroy it. Graft will be destroyed when

the level of morality in private life is raised by the rank and file of citizens adhering to the real meaning of these commandments. For the moral level of public life depends upon the moral level of private life. A stream is as pure as its source. Public officials in a democracy come from the people. If the standard of honesty among the people is high, the standard of political honesty will be high. The Catholic public official who stains his honor by graft is also guilty of scandal. He drags the sacred name of the Church into the mud. He is the greatest enemy the Church has. Not the lack of more brainy men in public life but the lack of more moral men in public life is the American tragedy.

Usury violates these commandments. In our present economic system usury means unlawful interest. As money is productive in this system, and the loaning of it involves risk, a reasonable interest is lawful. To retain ill-gotten goods is against justice and a violation of these commandments. The wage contract is a mutual agreement between employer and employee and should be governed by the principles of social justice. It means a fair wage. It also means a fair day's work. Leo XIII in *Rerum Novarum* enunciated the principles governing the relationship between employer and employee. Pius XI, forty years later, applied the principles to our present age. The American hierarchy applied the Papal teachings to modern American life, in their letter on *The Church and Social Order*.

# QUESTIONS

## LESSON I

(Pages 3-6)

- What is the true meaning of peace?  
What is its foundation?  
What does Pius XII call the first principle of a true peace among nations?  
Is material disarmament the only requisite for peace?  
What slavery must the nations be freed from?  
What juridical institution must be established?  
Are strictly legal rights of nations only to be considered?  
What attitude will remove the provocative to violent action?  
What sentiment must be developed among peoples and their rulers?  
What do the seventh and tenth commandments enjoin?  
Define justice.  
What is commutative justice?  
What does every right imply?  
What is the common attitude toward law?  
What do our crime statistics prove?  
What are the Edgar Hoover figures on crime for the year 1939?  
What is his conclusion?  
Explain the meaning of freedom.  
What freedom did Leo XIII condemn?  
What did nineteenth century liberalism lead to?  
What is legal justice?  
What is distributive justice?  
What is meant by the common welfare?  
What obligation does legal justice place on the State and the citizen?  
State the subject matter of legal justice.  
State the difference between the right to a thing and the right in a thing.

## LESSON II

(Pages 6-9)

What does ownership mean?

Explain absolute ownership.

Whence do property rights derive?

What is the relationship between the family and the right of property?

Which holds precedence, family or State ownership?

State the twofold aspect of ownership as explained by Leo XIII and Pius XI.

In considering ownership what twofold danger is to be avoided?

Distinguish the two rights regarding property.

Does the abuse of ownership destroy the right of ownership?

What attitude toward ownership must follow from its twofold character?

Has the State the right to limit the use of property?

May the State take away the inheritance right?

Has the State an unlimited taxing right?

What follows when Government adjusts ownership to meet the needs of the common welfare?

What are the limitations to the property right?

May property be used for the exclusive benefit of the owner?

State the restrictions implied in the right of ownership.

What does the Law of Nature and the Church teach regarding superfluities?

## LESSON III

(Pages 9-12)

Define theft and rapine.

What does rapine add to the sin of theft?

Is theft always a mortal sin?

What does St. Paul say of those guilty of theft?

Why is theft against the Natural Law?

What two standards are to be considered in measuring the injustice of theft?

What is meant by restitution?

To whom must restitution be made if the lawful owner cannot be found?

State the principles of restitution.

#### **LESSON IV**

(Pages 12-13)

Are our possessions only material things?

Apply the principle of restitution to spiritual values.

What does the payment process of modern business indicate?

Is it morally right to defer the payment of bills as long as possible?

Is a man who is legally right always morally right?

Is a debt outlawed "morally" by lapse of time?

#### **LESSON V**

(Pages 14-15)

Define a contract.

State the ordinary conditions of a true contract.

What has positive law to do with the making of contracts?

Name the ordinary defects that render a contract void.

What two things must be considered in the buying and selling contract?

What is the difference between the market price and the legal price?

State the principles of restitution as applied to selling and buying.

#### **LESSON VI**

(Pages 15-18)

Define extortion and graft.

Give examples of the sin of theft in the conduct of public officials.

What is the spoils system and who was its originator?  
Give the full explanation of corruption in American public life.

What has been the effect on American life of the dishonest Catholic public official?

How may graft be destroyed?

Graft is the leprosy of public vitality. Explain.

What must be the Catholic attitude toward the Catholic public official?

Is Durant's contention true that lack of brainy men in public life is a tragedy?

Define usury.

What is legal interest?

Why was interest condemned by St. Thomas?

How has the industrial age affected the function of money?

To retain ill-gotten goods is a sin against justice. Explain in detail.

Are the principles of social justice binding only on Catholics?

## LESSON VII

(Pages 18-22)

What is the wage contract?

Define a living wage.

Name the two characteristics of labor.

What follows from the law of self-preservation?

Why may not employer and employee agree on any wage?

How does Pius XI define the living wage?

What three elements enter into a living wage?

Prove that a living wage means a family wage.

According to Pius XI what must the wage contract develop into?

What must the worker consider in his wage demands?

Whose duty is it to determine the question of a just wage?

What right has government in relation to industry?

Why cannot labor alone or capital alone decide the wage question?



What must be the guiding spirit in determining the wage question?

When are the commandments safeguarding property violated in the business world?

What is the condition necessary for society to prosper?

What is the supreme need of a just social order?

What has been the attitude of the Church toward the evils of the industrial age?

### **LESSON VIII**

(Pages 22-26)

What does our modern social problem call for, according to the American bishops?

Can economic laws alone solve the social problem?

May our social order be reconstructed quickly?

What two main reforms are called for in our present social order?

Explain a vocational group.

To what must economic power be subordinated?

What must replace class conflict?

Has unlimited competition a place in a just social order?

How may the twin evils of insufficiency and insecurity be done away with?





