

LETTER TO THE EDITORS

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Editor,
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Sir,

Steve Worland writes on Catholic social thought with justly deserved authority, along with some personal views of the sort we all acquire. Two stand out in his article in the Spring 1992 *Bulletin*. As for the first, he has long asserted (1967, p. 277) that Pius XI's summary of a few desirable economic objectives (*Quadregesimo Anno*, 1931, para 75) parallels the concept of Pareto optimality.

My response has been that the Pareto optimum is purely positive, individualistic economics, holding that maximum welfare is where no further change can be made in an economy without causing at least one person to have less of what he/she wants. Bator (1957) set out the customary version of this for the theories of consumer behaviour and the firm, but soon the problems of the social welfare function and Arrow non-contradictory decision-making shrouded the supposed optimum in impenetrable fog, despite the continuing attempts of many to find a way through.

Can it be useful to identify this highly rarified and finally meaningless concept of maximum welfare with the essentially ethical, Christian visions of papal encyclicals? Moreover, Pareto and his writings scarcely fit in with Christian ideals and thought (McKee, 1980).

My second comment concerns distributive justice. The Aquinas-Aristotle concept of it is that common goods—and, by extension, burdens—arising in any community (honors, tasks, taxation, public goods, etc.) should be shared proportionately among its members. On what basis and by what procedures (merit, committees, voting?) are further, particular questions (McKee, 1987, pp. 75-8).

Now it is awfully tempting to equate 'distributive justice' with 'justice in distribution' (and for many to identify 'social justice' with both); but a just distribution of income and wealth in fact requires the cooperation of exchange/commutative justice, the distributive justice of allocating taxes and public goods, socially just institutions (labor unions, enterprises, relevant laws), and other considerations (charitable giving, for instance).

How will one determine the common goods which require to be distributed justly? The better answer, in my judgment is that general or social justice in the wide sense (McKee, 1987, pp. 54-6) leads to decisions to supply some health, education, defense, etc. as public goods, whereupon appropriate taxation must be

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levied. Another, less satisfactory way is to argue that, since property has its common benefit side and work is always social, income and production have their common benefit component, so that distributive justice enters to share this out to achieve just distribution.

Worland has long held this second view, being forced into it, I think, by equating just price with the outcome of long-run perfect competition, by ruling out 'status' as influencing wage paid (which must equal marginal revenue product), and by his consequent need for 'distributive justice' to ensure a living wage is arrived at (see 1967, Ch. 9).

Well, you will not find this approach to a living wage in papal encyclicals. They have argued rather that a wage permitting decent living is a matter of strict justice, since the worth of human work is not merely a matter of supply and demand. Then to go further to the *family wage*, Catholic thought now usually invokes the distributive justice of tax concessions and public goods.

I am well aware my friend, Steve Worland, will not be convinced by this warning over of old disagreements. My aim is rather to make Protestant readers a little wary of what he, I, and others may present as the correct teaching of our Church.

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