

**JOHN PAUL II ON SOCIAL MORTGAGE:
ORIGINS, QUESTIONS, NORMS**

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One of the greatest injustices in the contemporary world consists precisely in this: that the ones who possess much are relatively few and those who possess almost nothing are many. It is an injustice of the poor distribution of the goods and services originally intended for all. This then is the picture: there are some people -- the few who possess much -- who do not really succeed in “being” more because through a reversal of the hierarchy of values, they are hindered by the cult of “having”; and there are others -- the many who have little or nothing -- who do not succeed in their basic human vocation because they are deprived of essential goods. [John Paul 1987, §28].

Based upon and justified by the Church’s principle that “God intended the earth with everything contained in it for the use of all human beings and peoples” [*Gaudium et Spes*, §69], John Paul II in *Sollicitudo Rei Socialis* (hereafter *SRS*) argues that private property is not exclusively private in nature, that it has a social function. Borrowing language that applies to residential property sales in which the buyer borrows some of the funds necessary to purchase the property and acquires the title, John Paul asserts in *SRS* that “private property ... is under a “social mortgage” [John Paul 1987, §42].

Property has a social function in the sense that the property holder is a social being, joined together with others in a network of communities such as family, neighborhood, place of worship, workplace. For Catholics that community is called the Body of Christ. At the same time, private property has an individual function in the sense that the person holding that property is an individual human being, unique and apart from all other human beings. Thus the owner of private property is accountable for the manner in which the goods produced by means of that property are held for his/her own use or released for the use of others.

The social function of private property means that ownership confers stewardship. Just as a conventional mortgage binds the homeowner to repay the institution that made ownership of that home possible, a social mortgage obligates the owner of private property to give back to the community so that those with no private property holdings have access to the same basic services such as health care, education, transportation, police and fire protection that helped make possible the personal development of that property owner. *Homo economicus* of the libertarian persuasion recognizes the duty in accepting a conventional mortgage, but not the duty in a social mortgage. The *acting person* of the personalist persuasion knowledges both.

Writing more than 50 years ago, Thomas Divine supplies three arguments in defense of the individual function of private property and three others for its social function. Following Aquinas and fellow Jesuit Duff, Divine asserts that the institution of private property

provides for the *needs of society* – the social function -- through the greater productivity of private property holders, the enhanced order characteristic of a society in which property is managed privately, and the greater peace and harmony that derives from the contentedness of property holders. Private property provisions the *needs of the individual* – the individual function -- by endowing the property holder with economic independence, making the holder more secure, and promoting creativity and personal development. The *Compendium of the Social Doctrine of the Church*, which John Paul commissioned and was published in 2004, contains no reference to these Thomistic arguments in defense of private property (see *Compendium*, p. 282).

Drawing on Aquinas, Divine argues that there two aspects to the common use of private property.

In the first place it means that the owner of private property must be willing to share his wealth with others in time of need. For the right to the necessities of life would take precedence over the right to conveniences or luxuries. To quote again from Aquinas: “If the need be so urgent and manifest that it must be remedied by whatever means are at hand ..., then it is lawful for a man to satisfy his need by taking either openly or secretly another’s property; and in so doing he is not guilty of theft or robbery in the proper sense.” That he also considers this community of use to extend beyond mere cases of dire need is clear from his statement in the seventh book, lesson eight, of the *Commentary on the Politics*: “Goods should be the property of individuals as far as their ownership and management is considered, but should be common in their use as through the act of liberality and friendship.” Those who can afford to do so are expected to contribute to a worthy cause. [Divine, Chapter 27].¹

Thus two virtues -- friendship and liberality -- govern the *use* of private property as opposed to its *ownership* and *management*. [Divine, Chapter 27]. Fellow Jesuit economist and contemporary Bernard Dempsey concurs with Divine on the three arguments in defense of private property [see Dempsey, pp. 170-175] and drawing upon Aristotle’s *Ethics* offers a definition of the virtue of liberality that moderates between avarice and prodigality: “the virtue by which we make good use of all those external goods which are granted us for our sustenance.” [Dempsey, p. 180].

Dempsey puts the issue of the social function of property in broader but simpler terms.

¹ Divine’s unpublished book-length manuscript is undated. However, Divine’s biography by Herbert Zollitsch, also unpublished but available in the Divine archives in Marquette University’s Raynor Memorial Library, indicates that Divine’s manuscript was completed in 1960. Accordingly, we use that date in the references section.

The error of modern times is not the advocacy of “communism.” “Common use” is an ancient and correct idea. The modern error is the belief that common use is attained only through state action. [Dempsey, p. 183].

In what follows, we include as private property these assets: land, structures, equipment, mineral deposits, patents, copyrights, and financial assets, *provided they are income-producing in cash or in kind at the moment*. Some private property holdings, such as an abandoned manufacturing facility, farm land that has been devastated by a flood, timber land that has been destroyed in a wild fire, may produce nothing that can be released for the use of others. Clearly, there is no social mortgage associated with those holdings, at least for the moment. What concerns us is the obligation of the holder of property that *does* produce goods that can be held for his/her use or shared with others.

Concerning residential property specifically, income-producing rental property clearly is under a social mortgage. Similarly, because it is income-producing in kind (in terms of the various public services that are routinely made available to the property owner), owner occupied housing also falls under this obligation. However, ability to pay sets limits on that social mortgage and is reflected in such practices as the homestead exemption in Louisiana where the primary residence is not subject to property taxation unless its assessed value exceeds \$75,000. Further, Louisiana freezes property assessment for senior-citizen homeowners whenever their annual income falls below a predetermined threshold provided any improvements fall below another predetermined threshold.²

In addition to the virtue of liberality, social mortgage involves the virtue of justice. Social mortgage is a matter of contributive justice because it focuses attention on the obligation one has as a property owner to support and maintain the community. However, as indicated above, there are limits on the burden associated with social mortgage that derive from the property holder’s ability to pay, making the obligation also a matter of distributive justice.

Further, income-producing property is under social mortgage that in some instances is affirmed in tax law thereby making the obligation a matter of legal justice. Strict compliance with the legal demands of property taxation, however, does not necessarily exempt the property owner from the moral obligation that John Paul implies by social mortgage. That duty clearly is a matter of conscience and is addressed below in the section on the norms that explain what is owed under social mortgage.

Certain items that are owned and held privately for personal use including eyeglasses, household furnishings, clothing, jewelry, televisions, though exchangeable for cash, along

² See http://www.latax.state.la.us/Menu_FAQ/FAQ.aspx#faq6.

with human body parts such as corneas and kidneys, are not assets in the sense that they produce a *stream* of income and therefore are not our concern in the following.

Our primary concern is with John Paul's use of social mortgage in the context of contemporary economic affairs. For that reason, we do not attempt an *exhaustive* review of the use of the terms social mortgage, social obligation, or the social function of private property in Catholic social teaching. Thus, even though *Rerum Novarum* addresses property extensively, we do not turn to that encyclical. First, in *SRS* John Paul references Leo XIII and his landmark encyclical only in sections 1 and 8 and then without any relevance to the meaning of social mortgage. Second, *SRS* is a reflection on and celebration of Paul VI's *Populorum Progressio* and an extension of his remarks on economic development. Third, unlike *Rerum Novarum*, *SRS* employs an essentially macro-economic perspective as evidenced by repeated contrasts drawn between the northern and southern hemispheres, developed and developing countries, wealthy and poor nations, and draws on justice much more often than Christian charity indicating that John Paul intentionally is appealing persons and organizations outside the Christian world.³

In the following, our remarks are organized around the origins of social mortgage, two elemental questions regarding social mortgage, and the norms that explain what is owed under social mortgage.

Origins of Social Mortgage

In *SRS* John Paul identifies two sources for his claim that “private property ... is under a social ‘mortgage’.” The first is his address at the Third General Conference of the Latin American Episcopate in Puebla, Mexico, on January 28, 1979.

[It is] when the growing wealth of a few parallels the growing poverty of the masses ... that the Church's teaching, *according to which all private property involves a social obligation*, acquires an urgent character. [John Paul 1979a, §III.4; emphasis added].

Notice that in this address he uses social obligation, not social mortgage, and asserts that the “Church's teaching ... acquires an urgent character” due to the widening gap between the wealth of the few and the poverty of the many. It certainly is possible that to John Paul social mortgage and social obligation are synonyms. It is possible too that he used social mortgage in *SRS*, instead of social obligation, to underscore his sense of urgency in this matter.

³ In *SRS* justice is cited in §§10, 18, 26, 28, 33, 36, 38, 39, 41, 47, and 49. Charity is referred to only in §§40 and 42.

We are inclined to think that he intended to use them in the second sense because in the very same section of the encyclical (see *SRS*, §42) where he uses social mortgage he calls attention to the preferential option for the poor and to the growing gap between the rich and poor *even in developing countries* where property owners have the means to comply with this duty. Such an interpretation is entirely consistent with the virtue of liberality that Dempsey asserts informs us that the proper end of the use of external goods is the sustenance of men. [Dempsey, p. 180]. We argue, therefore, that in *SRS* John Paul not only calls attention to the preferential option for the poor but constructs the meaning of social mortgage chiefly in terms of that option. Because poverty is a normative concept, it follows that social mortgage is a normative concept too. Put differently, in *SRS* we construe John Paul to mean that the end intended is the provision of sustenance first and foremost to the many throughout the world who are poor and social mortgage is the means to that end.

The second source is his ad limina address to Polish bishops on December 17, 1987. A third appears one day later in *L'Osservatore Romano* but is simply a publication of his ad limina address. Both sources, along with the ad limina address in *L'Osservatore Romano*, are footnoted in *SRS* immediately following social mortgage.

Even though in *SRS* he does not refer to his May 15, 1982 comments to workers in Portugal, John Paul in that address states that "... the private ownership of property is always under social mortgage, and so must always serve the common good ..." [John Paul 1982, §8]. Nor does he cite in *SRS* his use of "social mortgage" on two occasions in 1979.⁴ Clearly, then, social mortgage predates John Paul's use of it in *SRS* by at least eight years, and due to his repeated use of it indicates that we should probe more deeply into his meaning.

In researching the origins of social mortgage we encountered two problems. First, the *Compendium of the Social Doctrine of the Church* does not include social mortgage in its extensive index, even though the expression is used again in 2001, 2002, and 2003 in addresses by others that are posted on the Vatican website⁵ and by John Paul himself in 1999.

Second, in 2004 Cardinal Trujillo attributes social mortgage to *Populorum Progressio* and states that in this regard Paul VI renders "a faithful interpretation of St. Thomas." A careful search of *Populorum Progressio* reveals no such use of social mortgage though the underlying concept is present in the encyclical. Further, it is not St. Thomas but St. Ambrose that Paul VI cites regarding the use of private property:

⁴ See John Paul 1979b and 1979c.

⁵ See Diarmuid Martin 2001 and 2002 and Frank Dewane 2003.

You are not making a gift of what is yours to the poor man, but you are giving him what is his. You have been appropriating things that are meant to be for the common use of everyone. The earth belongs to everyone, not to the rich (quoted in Paul VI, §23).

Additionally, Ketteler in 2007 states that it was John Paul who used social mortgage for the first time though he does not trace its origins to 1979. We conclude that social mortgage originated with John Paul in 1979 but the fundamental concept itself dates as far back as St. Ambrose in the fourth century.⁶

John Paul in his Puebla remarks (§III.4) affirms the role of Ambrose on “the delicate question of property.” Nevertheless, he makes no mention of him in *SRS*. Similarly, Aquinas is mentioned approvingly on the question of property in John Paul’s Puebla address, but not in the *Compendium* or *SRS*. We conclude that in using social mortgage John Paul intended to move beyond the strict meaning that Ambrose attached to the ownership and use of the goods of the world and Aquinas, perhaps to emphasize the changing nature of property in 20th century economic affairs.

Along with references to Ambrose and Aquinas in his Puebla address, John Paul mentions Paul VI’s *Populorum Progressio* and John XXIII’s *Mater et Magistra* as important to the development of the Church’s teaching on property. However, there is very little reference to *Mater et Magistra* in *SRS* and only one citation (a footnote) in Section VI of *SRS*, which includes §42 where social mortgage is used. *Populorum Progressio* is cited several times in the footnotes of Section VI but only once in the text. We conclude therefore that in using social mortgage John Paul intended not something different than the teachings of his predecessors, notably with regard to Christian charity,⁷ not something indicating that all property is owned by the State and simply on loan to different human beings and is subject to forfeiture and seizure by the State whenever that property does not serve the common

⁶ We found two other uses of social mortgage. Unity Trust Bank in the United Kingdom uses it to call attention to its mortgage program that helps “charity and voluntary organizations purchase new or additional premises.” See Unity Trust Bank. The Russian city of Kazan in the Republic of Tatarstan uses “social mortgage” in referring to its housing construction program. See Ilсур Metshin.

⁷ There is nothing in *SRS*, for example, that rejects the Church’s teaching on Christian charity as expressed by Leo XIII in *Rerum Novarum* in which that virtue is underscored as in the following.

True, no one is commanded to distribute to others that which is required for his own needs and those of his household; nor even to give away what is reasonably required to keep up becomingly his condition in life, “for no one ought to live other than becomingly.” But, when what necessity demands has been supplied, and one’s standing fairly taken thought for, it becomes a duty to give to the indigent out of what remains. “Of that which remaineth, give alms.” It is a duty, not of justice (save in extreme cases), but of Christian charity – a duty not enforced by human laws. [Leo XIII, §22].

good, for in doing so he would reject Aquinas on the individual function of private property and deny the very individuality of the human person. Rather, John Paul intended something additional, perhaps in this instance reflecting his own experience in Soviet-dominated Poland where private property was greatly restricted. Six years prior to *SRS* and just three years removed from his beloved Poland John Paul in *Laborem Exercens* called attention to way in which the communism system destroys private property.

The Marxist programme ... sees in the class struggle the only way to eliminate class injustices in society and to eliminate the classes themselves. Putting this programme into practice presupposes *the collectivization of the means of production*, so that, through the transfer of these means from private hands to the collectivity, human labor will be preserved from exploitation.

This is the goal of the struggle carried out by political as well as ideological means. In accordance with the principle of “the dictatorship of the proletariat,” the groups that as political parties follow the guidance of Marxist ideology aim by the use of various kinds of influence, including revolutionary pressure, to win a *monopoly of power in each society*, in order to introduce the collectivist system into it by eliminating private ownership of the means of production. According to the principal ideologists and leaders of this broad international movement, the purpose of this programme of action is to achieve the social revolution and to introduce socialism and, finally, the communist system throughout the world. [John Paul 1981, §11; emphasis in the original].

We suggest that the “additional” is found in his emphasis on justice rather than Christian charity and his sense of urgency in the matter as stated in *SRS*.

One of the greatest injustices in the contemporary world consists precisely in this: that the ones who possess much are relatively few and those who possess almost nothing are many. It is an injustice of the poor distribution of the goods and services originally intended for all. [John Paul 1987, §28].

There is no justification then for despair or pessimism or *inertia*. Though it be with sorrow, it must be said that just as one may sin through selfishness and the desire for excessive profit and power, one may also be found wanting with regard to the *urgent* needs of multitudes of human beings submerged in conditions of underdevelopment, through fear, indecision and, basically through cowardice. We are all called, indeed obliged, to face the tremendous challenge of the last decade of the second Millennium, also because the present dangers threaten everyone: a world economic crisis, a war without frontiers, without winners or losers. In the face of such a threat, the

distinction between rich individuals and countries and poor individuals and countries will have little value, except that *a greater responsibility rests on those who have more and can do more*. [John Paul 1987, §47; emphasis added].

Notice that John Paul is paraphrasing Jesus as reported by the Evangelist Luke.

When much has been given a man, much will be required of him. More will be asked of a man to whom more has been entrusted. [Luke 13:48].

Two Elemental Questions Regarding Social Mortgage

John Paul's assertion that private property is under a social mortgage raises two elemental questions. First, why is the principle of private property subordinated to the principle of the universal destination of the goods of the world? Second, what kinds and amounts of social mortgage payments or other transfers are sufficient to satisfy the demands of the social function of private property?

To address these questions, it is necessary to differentiate private ownership of property from how that property is used as John Paul suggests in *SRS*.

... the *option or love of preference* for the poor ... is an option, or a *special form* of primacy in the exercise of Christian charity, to which the whole tradition of the Church bears witness. It affects the life of each Christian inasmuch as he or she seeks to imitate the life of Christ, but it applies equally to our social *responsibilities* and hence to our manner of living, and to the logical decisions to be made concerning the ownership and use of goods. [John Paul 1987, §42; emphasis in the original].

The principle of the universal destination of the goods of the world addresses the issue of the *use* of the goods of the world. The principle of private property deals with *ownership*.

Regarding the first question, the principle of private property, which states that a person has a right to what he creates with his own hands, is not an absolute principle because, as John Paul argues, God created the universe for the benefit of all humankind. The goods produced through the ownership of private property are the means by which human material need is met and for that reason alone private property is subordinate to the

universal destination of the goods of the world.⁸

Further, humans who do not own private property are thereby limited in their access to the goods produced by that property and if all human beings truly are created equal how can they claim equality if they are denied access to all that they need to survive as humans? In other words, private property ownership is a lower-order principle and therefore subordinate to the use of that property.

Two extreme types of economic systems are to be avoided. (1) A market economy based entirely on private property in which all goods are produced and held by one person who shares none of them. Everyone else is left to fend for themselves. The system collapses from nearly universal unmet need in the midst of surplus production or underutilized production capacity. (2) A command economy based exclusively on public property in which goods are produced by some and are shared with everyone on the basis of need. The economy collapses from unmet need due to an insufficient incentive to produce.

In both instances, the problem is production: too much production that is not shared resulting in unmet need or too little leading to the same outcome. As we have just seen, in his 1981 encyclical *Laborem Exercens* John Paul roundly condemns the second system. Six years later in *SRS*, he agrees to the first provided property is under social mortgage: those without property, those who are needy, must not be left to fend for themselves. The universal destination of the goods of the world demands nothing less.

As to the second question about the kinds and amounts of social mortgage payments or other transfers that satisfy the demands of the social function of private property, there are two basic forms: private and public. Examples abound. One very common private arrangement is the business enterprise that employs persons who have no private property of their own. The employees share in the goods produced in that enterprise through the wages paid by the owner of that property. A second private form is the voluntary transfer of funds generated from production at private enterprises to organizations that provide services for those in need either by those enterprises acting individually or collectively through such community-based appeals as United Way. A third is through enterprise-based plans that provide employees an opportunity to acquire ownership in the enterprise.

⁸ In the very same section of *SRS* where he introduces social mortgage, John Paul cites *Populorum Progressio* on the primacy of the principle of the universal destination of the goods of the world in which Paul VI says the following.

Now if the earth truly was created to provide man with the necessities of life and the tools for his own progress, it follows that every man has the right to glean what he needs from the earth ... *All other rights, whatever they may be, including the rights of property and free trade, are to be subordinated to this principle* [Paul VI, §22; emphasis added].

A fourth, and very common form of private arrangement, is the direct transfer from one person to another of goods or the money to buy the needed goods.

Examples of public arrangements that qualify as social mortgage payments include taxation, regulation, mandates, patents, and eminent domain. Taxation transfers some of the proceeds from the ownership of private property to public use to provide for such public services as police and fire protection, transportation and education. Regulation restricts the ways in which a private property owner may use his/her holdings by setting limits, for example, on hazardous emissions into the environment and through zoning ordinances that set limits on the specific activities -- residential, commercial, industrial -- that are acceptable in a given geographic location.

A public mandate such as a minimum wage or health insurance coverage for workers forces the private property owner to transfer some of the proceeds from production originating from private property to needy others who do not own that property. The protection afforded by a patent allows the holder of that patent time to recoup the cost of developing the patented item in a market that must respect that property right. However, when protection for that intellectual property expires, other companies are free to manufacture and sell a comparable item that has the effect of cutting away some of the excess profits involved and thereby making it available to the public at a lower price.

Eminent domain is an extreme form of public transfer in that a public body actually seizes private property on the basis of its claim that the property has a social function that completely overrides its private function. In return, the owner is owed a public payment that approximates the fair market value of the property

Whether public or private in nature, social mortgage transfers are justified only as a means by which individual or collective need is addressed.

In the end social mortgage is grounded in social justice as set down by Pius XI in his 1937 encyclical *Divini Redemptoris*.

Atqui socialis justitiae est id omne *ab* singulis exigere, quod ad commune bonum necessarium sit [Pius XI, §IV; emphasis added].⁹

Carefully translating the Latin version from the same website into English produces the following.

⁹ The Vatican website incorrectly renders this passage in English as follows: “Now it is of the very essence of social justice to demand *for* each individual all that is necessary for the common good” [Pius XI, §51; emphasis added]. Notice that “for” indicates entitlement.

Now it is of the very essence of social justice to demand *from* each individual all that is necessary for the common good.¹⁰

“From” indicates obligation. Thus, by social mortgage John Paul deliberately emphasizes the *urgency* regarding the obligation of contemporary private property holders under social justice.

Norms That Explain What is Owed Under Social Mortgage

Because what is owed to another depends very much on how one defines and measures that obligation, social mortgage as with all contingent being is constituted of two norms, one positive, the other negative (see Table 1). The positive norm functions in the actuating mode and explains how much of the goods produced by owners are to be shared with others. The negative norm operates in the limiting mode and explains why no more than that must be shared.

The principal *positive* norm is the material need that humans are not able to meet acting alone or, simply, unmet human material need. That need may be defined in absolute or relative terms. An absolute standard addresses the following question: How much income does an individual/family need to purchase the goods and services required to maintain a minimal standard of living? A relative standard address this question: How much income does this individual/family have relative to the income of others?

Table 1. Norms Explaining What is Owed Under Social Mortgage

1. Positive Norm

Unmet human material need

Basic

absolute standard

relative standard

Beyond basic ► matter of conscience for private property holder

2. Negative Norm

Ability of private property holders to meet need

Individually

¹⁰ The author is grateful to John Czyzynski, SCJ for help in translating the Latin text correctly into English.

Collectively
public action
private action ► preferred according to principle of subsidiarity

The chief *negative* norm is the ability of private property holders to meet that need. Following the principle of subsidiarity, unmet need is to be addressed preferentially through private action because private persons and groups in general are closer to the parties requesting assistance and therefore better able to detect false claims of unmet need and to rank authentic unmet need by its scope and intensity.

Regarding the positive norm as to how much must be shared with others under social mortgage, at minimum it must be sufficient to address basic human needs. This norm, we are convinced, must be constructed to incorporate *both* an absolute standard of need and a relative standard because human beings are at once individual and social beings, with the absolute standard reflecting human individuality and the relative standard human sociality.

To simplify, basic need clearly (a) is unmet when the income of the party seeking assistance is below both standards, (b) is met when income is above both standards, and (c) is marginally unmet when income is below one of the standards and above the other. Due to differences in the cost of living, the thresholds that express those standards in measureable form will vary from place to place and one time period to another.

We recommend incorporating in this norm the official poverty standard for the United States, which is an absolute standard and for that reason alone is seriously flawed,¹¹ precisely because it has been in use for 50 years, has achieved widespread acceptance, and therefore is socially significant.

For purposes of assigning greater specificity to the duty of property owners under social mortgage, assume that the absolute threshold for a family of four is annual income of \$18,900 and the relative threshold is \$20,350. A family of four with annual income of \$14,670 has basic needs that clearly are unmet, while a similar size family with income of \$31,569 has no such needs. A family of four with income of \$19,472 has needs that are marginally unmet. In distributing the goods available for sharing among the needy, more must be given to those whose incomes fall furthest below the lower of the two thresholds. In our example that would mean families with incomes below \$18,900, with more given to

¹¹ A second serious flaw is that from the very beginning poverty threshold income has been estimated at three times the cost of a nutritionally adequate diet as determined by the Agriculture Department on grounds that consumers in the late 1950s and early 1960 typically spent one-third of their income on food. This multiplier has not changed over the years though clearly consumer expenditure patterns have. The threshold income estimate is further flawed because it makes no allowance for differences in the cost of living from place to place.

those with the lowest incomes. The marginally needy would be provisioned only when the more severely needy have been assisted.¹²

The negative norm that explains why no more than the goods that meet basic human material need are to be shared by property owners under social mortgage is problematical especially in a wealthy country. In a poor country, the overall level of production from private property may be so small as to make earning a living difficult even for property holders. What is shared is widespread impoverishment. In a wealthy country, however, the level of production from private property may be so substantial as to make possible a level of assistance well beyond basic human material need.

The question then is how much above that basic-needs threshold is owed under social mortgage? The answer lies in the conscience of the property holder because if as a result of government intervention more than the goods required to meet basic need is demanded of the holders of that property, those holders may respond by reducing production making it more difficult to reach that threshold of support. Government action in other words may be self-defeating.

Better to leave that decision to one's own conscience provided it is properly informed to avoid the crass materialism to which John Paul calls our attention in his warning that "the more one possesses the more one wants." [John Paul 1987, §28]. By having and wanting more, the holder of private property puts his/her development as a person at risk of becoming a genuine *homo economicus*, a rational, utility-maximizing human driven by an acquisitive desire.

The properly informed conscience could lead to strictly private action either individually or collectively or to public action. Here again preference is given to private action as against public action on grounds that being located closer to the parties claiming assistance, private action likely is better informed as to true extent of human material need.

Quoting *Gaudium et Spes* Paul VI offers the following helpful advice regarding private gain and human material need based on the principle of subsidiarity.

When "private gain and basic community needs conflict with one another," it is for the public authorities "to seek a solution to these questions, *with the active involvement of individual citizens and social groups*" [Paul VI, §23; emphasis added].

¹² Public programs of aid to the needy sometimes are based on a qualifying threshold that is a *multiple* of the official poverty threshold, usually 150 percent or 200 percent higher than that threshold. We find that such standards are unsatisfactory because there is no hard evidence of a direct linkage between those higher thresholds and need. For that reason, we think it unwise to use multiple standards to determine what is owed the needy under social mortgage.

One major problem remains regarding the properly informed conscience on human need beyond the basic minimum. In the end unmet human material need, or hardship, is a normative concept that is defined and measured differently by the various persons who use the concept according to each one's own value system. Thus, even among men of good will, agreement on the specifics of need beyond the basic minimum is difficult to achieve and depends very much on free and open discussions between the private and public sectors as suggested in *Gaudium et Spes* and affirmed in *Populorum Progressio*. Such discussions are likely to be an ongoing activity rather than a one-and-done task especially when living standards are changing over time.

Closing Remarks

Our interest in *Sollicitudo Rei Socialis* centers on three issues. The first relates to the sense of urgency that John Paul displays regarding the worldwide divisions between the few who have much and the many who have little. The second has to do with his emphasis on justice rather than charity as the principal virtue that ought to motivate our responses to those divisions. The third concerns his introduction of social mortgage as a means to address those divisions. Simply put, we have been interested in ends, means, and motivation.

In the rest of our closing remarks we concentrate on social mortgage because we have offered some specifics that allow us to move further along in making it operational.

“Social mortgage” is a normative concept whose meaning depends critically on the persons who use the expression and for that reason consensus on how it is defined and measured is difficult to achieve. Nevertheless, we hope our *suggested* norms that explain what is owed under social mortgage contribute to wider acceptance at least with regard to basic human material need thereby (1) moving the discourse toward greater specificity regarding the *proper* norms and critical values -- criteria -- that express those norms in measurable form, and (2) forging wider agreement on how best to make social mortgage an operational concept, to make it socially significant.

As to need beyond the basic necessities, we have argued that the issue primarily is a matter of one's private conscience and that coercive public action is called for when the private conscience is asleep and cannot be awakened and enlightened through public discourse. Even so, and very much in accordance with the principle of subsidiarity, a poorly informed private conscience is better than a badly informed public consensus because public action has far wider effects than private action.

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