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“Catholic Social Doctrine and the Dignity of Work”

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Introduction: Rights and Obligations of Economic Society

- A few weeks ago, the Attorney General gave a speech about religious liberty at Notre Dame. The reaction was a cautionary tale about how if a Catholic public official speaks to a Catholic audience on the connection between our faith and public policy, he or she will be accused of supporting a “religious theocracy” right out of *The Handmaid’s Tale*.
- So in order to avoid getting cancelled by an online mob, I decided to base my remarks today on a secular source of wisdom acceptable to the blue check brigade.
- My first choice was Kanye West... But then he came out with an album called *Jesus Is King*.
- So it was back to the drawing board.
- I settled on focusing on the writings of a 19th-century Italian named Vincenzo Pecci.
- Because who could possibly be triggered by a 19th-century Italian?
- Over 130 years ago, Pecci wrote the following: “The labor of the working class – the exercise of their skill, and the employment of their strength in the workshops of trade is indispensable... Justice demands that the interests of the working classes be carefully watched over by the administration, so that they who contribute so largely to the community may themselves share in the benefits which they create.”
- He went on to write that the ultimate goal for any society should be to “make men better,” by providing regular people the opportunity to attain the dignity that comes from hard work, ownership, and raising a family.
- According to Pecci, what makes this kind of society possible is the rights of both workers and businesses, but also their obligations to each other.

- Businesses have a right to make a profit. And workers have a right to share in the benefits of the profits their work helped create.
- But businesses also have an obligation to reinvest those profits productively for the benefit of the workers and the society that made it possible.
- And workers have an obligation to work.
- Now it's time for something we Catholics are familiar with: a confession.
- Mr. Pecci wasn't some secular economist. His views were deeply rooted in his Christian faith.
- That is because Mr. Pecci is better known as Pope Leo XIII.
- Forgive me, outrage police, for I have sinned. I have once again mixed politics with religion!
- In 1891, in the midst of an Industrial Revolution that was transformative and disruptive and the rise of socialism, Pope Leo wrote an encyclical titled *Rerum Novarum*.
- I wanted to revisit what he wrote because we are once again in the midst of transformative and disruptive economic change. And we once again face rising calls for socialism.
- The economy he described as the right response was one in which workers and businesses are not competitors for their share of limited resources, but instead partners in an effort that benefits both and strengthens the entire nation.
- This describes not just the kind of economy most of us want here in America; it describes the economy during our nation's most prosperous and secure moments.
- Yet for some reason, we have drifted far from this kind of society.
- We are quite familiar and enthusiastic about our rights, but not nearly as familiar or excited about our obligations.
- On the political right, we have become defenders of the right of businesses to make a profit, the right of shareholders to receive a return on their investment, and the obligation people have to work.

- But we have neglected the rights of workers to share in the benefits they create for their employer – and the obligation of businesses to act in the best interest of the workers and the country that have made their success possible.
- The political left has been an enthusiastic champion of everyone's right to various benefits – and of businesses' obligation to share their success with their workers and the government.
- But they rarely focus on either our obligation to work or businesses' right to make a profit.
- This is the false choice our politics has offered us for almost three decades.
- And facing an economy whose architecture has been rapidly and dramatically transformed, we have been left with an economy and a society no one is happy with.
- Even after three years of robust economic growth, we still have millions of people unable to find dignified work and feeling forgotten, ignored, and left behind.
- And the result of decades of this negligence isn't just economic. It has weakened families and eroded communities.
- It has fueled the rise of grievances, in which over 70 percent of Americans believe their fellow countrymen on the opposing side of politics aren't just wrong, they are a threat to the country.
- This, not social media or any politician, is why we have become incapable of identifying a common good and pursuing it.

Economic Ideal vs. Reality

- Free enterprise made America the most prosperous nation in human history. But that prosperity wasn't just about businesses making a profit; it was also about the creation and availability of dignified work.
- Our strength came not just from the size of our economy, but also from how its success served the broader national interest.
- For example, we could never have defeated Nazi Germany or Imperial Japan without both an advanced and profitable industrial base and the willingness of those businesses to participate in the war effort.

- And after the war, returning veterans would never have been able to find a job, buy a home, and start a baby boom if we didn't have strong businesses to hire them.
- That was the America my parents came to in 1956 – the place in which it was possible for poorly educated immigrants like them to find dignified work, purchase a house, raise a family, and leave all four of their children better off than themselves.
- This is why I have always told their story: not because of what it says about me, but because of what it says about our country.
- This is why since the day I entered public service I have been an unabashed believer in American exceptionalism and promoter of the American Dream.
- But when I ran for president, I learned the hard way that many Americans did not share my optimism.
- They were anxious, even angry at those they blamed for ignoring them, disrespecting them, and leaving them behind.
- From cabinet-makers in Georgia to power tool factory workers in Pennsylvania, they are the people whose lives were turned upside-down when companies exercised their right to make a profit by offshoring their jobs, with little regard for their corresponding duty to invest in their own workers.
- They were the people who were told to go back to school, learn to code, and leave their extended family and community behind and get a job in the “new economy”.
- These millions of Americans are the victims of an economic re-ordering which Pope Benedict in *Caritas in Veritate* described as the dominance of “largely speculative” financial flows detached from real production.
- When we started only focusing on the right of businesses to make a profit and stopped recognizing the obligation of businesses to reinvest in America, large corporations became nothing more than financial vehicles for shareholders, managers, and banks to assert their claims over.
- The right to return money to shareholders became a right above all others. And the obligation to invest for the benefit of our workers and our country became an afterthought.
- The economic numbers tell the tale.

- Over the last forty years, the financial sector's share of corporate profits increased from about 10 to nearly 30 percent.
- The share of those profits sent to shareholders increased by 300 percent.
- This occurred while investment of those profits back into the companies' workers – and future – dropped 20 percent.
- Last year, corporations on the S&P 500 spent over a trillion dollars buying back their own shares. To take them at their word, these are the largest corporations in the world collectively saying, "We don't have anything to invest in."
- This is what it looks like when, as Pope Francis warned, "finance overwhelms the real economy."

The Dignity of Work and Social Decay

- Because economics and culture are strongly intertwined, the effect of all this has extended far beyond economics.
- Family is the most basic and most important of all of our institutions. It is the first school any of our children will attend.
- It is the place where we learn how to become responsible, productive adults.
- And community isn't just the city or neighborhood you live in.
- The church where members come together to deliver meals on Thanksgiving is a community.
- The youth sports team where the parents serve as coaches and equipment managers for their children is a community.
- The PTA that organizes the school supply giveaway for needy children and the end-of-year appreciation gifts for teachers is a community.
- But when an economy stops providing dignified work for millions of people, families and communities begin to erode.
- Families splinter and children fall into poverty.

- More families need Thanksgiving meals delivered, but fewer families have the money or time to provide them.
- Parents can't coach teams, and PTAs struggle to form in the first place.
- And men are hit especially hard. Because without dignified work, the core to being a man – providing for your family – is taken away.
- The numbers bear witness to the devastation that follows:
- A decline in marriage, child-birth, and life expectancy.
- An increase in drug dependency, suicides, and other deaths of despair.

National Dissension

- The shockwaves of this economic implosion extend further into the society at large, driving bitter cultural, political, and generational grievances.
- On the one hand, this disordered economy has created pockets of urban and coastal prosperity:
- In New York, the home of our finance and media elites;
- In Los Angeles, home of our entertainment elites;
- And here in Washington D.C, home of our political elites.
- Millions of people are benefiting from the new economy.
- But they are isolated from and oblivious to the struggles of the millions of angry Americans sandwiched in between these pockets of prosperity.
- Making matters even worse is that the prevalent social and cultural views in these elite pockets are very different from those of many of the Americans who feel forgotten and left behind.
- This results in a media, entertainment industry, and politics that incessantly mock the traditional values of middle America as backwards and even racist.

- In addition to the geographic and cultural divide, we face an increasingly bitter generational one.
- My four children are part of the most educated and ethnically diverse generation in history. But it is also becoming the first generation that will enter adulthood worse off than their parents did.
- They have to borrow money to pay for overpriced college degrees that often do not lead to a good career.
- Homeownership is nowhere in sight, and rents eat up half their income.
- They will buy homes, get married, and start families far later than any generation prior.
- And they are angry.
- They are angry at a system that has been rigged against them by the very people who created these problems;
- The people who enjoyed cheaper college themselves, but then turned around and raised tuition;
- The people who brazenly adopted the motto “greed is good” in the 1980s, but then caused a catastrophic financial crisis and left them with this disordered economy.
- This cultural, geographic, and generational divide forces us to confront an ancient and enduring truth. No nation can be strong if the whole nation does not benefit from its strength.
- Pericles said that “when a man is doing well for himself but his country is falling to pieces, he goes to pieces along with it.”
- The Roman emperor Marcus Aurelius observed “that which is not good for the beehive cannot be good for the bees.”
- And in 1968 Senator Robert F. Kennedy noted that “if... we, as Americans, are bound together by a common concern for each other, then an urgent national priority is upon us.”

- Because, he said, “even if we act to erase material poverty, there is another greater task; it is to confront the poverty of satisfaction – purpose and dignity – that afflicts us all.”

The American Way Forward

- So what will we do to reclaim the kind of country we want America to be?
- It begins with forming a national consensus that our challenge is not simply one of cyclical downturns or the wrong party being in charge. Our challenge is an economic order that is bad for America.
- It is bad economically because it is leaving too many people behind.
- And it is bad because it is inflicting tremendous damage on our families, our communities, and our society.
- Agreeing on the problem is something we should be able to achieve across the political spectrum.
- Deciding what government should do about it must be the core question of our national politics.
- The old ways simply will not do.
- The notion that, left unguided, the market will solve our problems will not restore a balance between the obligations and rights of the private sector and working Americans.
- It may lead to GDP growth and record profits, but economic growth and record profits will not, on their own, lead to the creation of dignified work.
- And it fails to recognize what St. John Paul II did: that “the obligation to earn one’s bread by the sweat of one’s brow also presumes the right to do so. A society in which this right is systematically denied, in which economic policies do not allow workers to reach satisfactory levels of employment, cannot be justified.”
- Socialism would be even worse.
- The idea that government can impose a balance between the obligations and rights of the private sector and working Americans has never worked.

- We have millions of refugees who came here fleeing socialism who can testify to that.
- Because a government that guarantees you a basic income is also one that controls where you work and how much you make.
- A government that promises you free health care is also one that controls who your doctor is and what care you'll receive.
- A government that promises free college is also one that controls what school you must go to and what you are taught.
- And a government that seeks to control all our societal needs is one that tells churches what they can preach and tells community members how we can interact.
- What we need to do is restore common-good capitalism – a system of free enterprise in which workers fulfill their obligation to work and enjoy the benefits of their work, and where businesses enjoy their right to make a profit and reinvest enough of those profits to create dignified work for Americans.
- Our current government policies gets this wrong. We reward and incentivize certain business practices that promote economic growth. But it's growth that often solely benefits shareholders, at the expense of new jobs and better pay.
- For example, our tax code is biased in favor of stock buybacks.
- Buybacks shouldn't be illegal. And buybacks shouldn't be used to force companies to adopt left-wing policies.
- But buybacks do not boost job creation or worker pay. So why should they have a tax preference?
- Instead, the tax preference should be for the use of corporate profits that further the common good by creating new jobs or higher wages.
- That is why we should make immediate expensing a permanent feature of our tax code – giving a tax preference to businesses when they reinvest their profits in a way that creates new jobs and higher paychecks.
- Common-good capitalism also means recognizing that the market may determine that outsourcing industries like manufacturing is the most efficient use of capital. But

our national interest and the common good are threatened by the loss of these industries and capacities.

- For two decades, we have allowed competitors like China to use subsidies and protectionism to build up their capabilities in various key industries while destroying ours.
- For example, rare-earth minerals are vital to our national security because they are a critical component of specialized computer and weapons systems. And mining them is also a source of stable and dignified work.
- But we have allowed America to become almost completely dependent on China for rare-earth minerals and done nothing to further our ability to provide them for ourselves.
- That's why I have filed legislation to create a national co-operative that guarantees investment in this sector.
- There are many other emerging industries to which we should take a similar approach – where promoting the common good will require public policies that drive investments in key industries, because pure market principles and our national interest are not aligned.
- Aerospace, telecommunications, autonomous vehicles, energy, transportation, and housing are just a few of the industries America must always retain not just domestic capacity, but global leadership.
- The goal isn't to recreate the economy of 1969. The goal is to retrofit past engines of productivity for the economy of our new century.
- This is why I'm trying to reform the Small Business Administration, so that it channels finance into small business manufacturers instead of lifeless corporate conglomerates.
- A revamped SBA will drive the success of innovative, high-growth small businesses in advanced manufacturing.
- It will spur innovation in the physical economy and ramp up federal funding for research and development. We will reinvigorate the legacy of business innovation that delivered Americans to the Moon fifty years ago.

- Common-good capitalism also means recognizing fundamental shifts in our culture and how they affect Americans.
- As an example, today many parents are struggling with the growing costs of raising children. And few can afford taking unpaid leave when a child is born.
- The market may not account for the benefits to our country of parental engagement. But common-good capitalism does.
- That is why I've worked to expand the federal per-child tax credit.
- And that is why I have proposed creating an option for paid parental leave that doesn't raise taxes, grow the debt, or place any new mandates on business.
- Common-good capitalism is about a vibrant and growing free market.
- But it is also about harnessing and channeling that growth to the benefit of our country, our people, and our society.
- Because after all, our nation does not exist to serve the interests of the market. The market exists to serve our nation and our people.
- And the most impactful benefit the market can provide our people, our society, and the nation at large is the creation and availability of dignified work.
- Dignified work gives people the chance to give their time, talent, and treasure to our churches, our charities, and community groups.
- Dignified work also makes it easier to form and raise strong families in stable communities.
- And dignified work helps reinvigorate the institutions that bind us together as a people.
- Because when you live with, worship with, serve with, or share a community with someone, you know him or her as a whole person. You may not agree with his or her politics, but you have other commonalities that bind you together.
- But when your neighbors are all strangers, and all you know about your fellow countrymen is who they voted for, it is much easier to hate them, to see them as the other.

- In that 1968 speech, Robert Kennedy decried the deep cultural sickness of his era that was “discouraging initiative, paralyzing will and action, and dividing Americans from one another, by their age, their views and by the color of their skin.”
- As Kennedy did in 1968, we must accept the indivisible tie between culture and economics, so that once again we can reclaim the motto on our nation’s seal: E pluribus unum – out of many, one.

Conclusion

- In the lead-up to this speech, some have asked me what was my goal for it.
- Was it to create a “third way” forward between the two prevalent schools of thought in our politics?
- Was it to define a post-Trump conservatism for the Republican Party?
- It is neither.
- My goal for this speech, but also in what I have tried to do in the Senate, is above all else about doing whatever it takes to keep our country from coming apart – whatever it takes so that this exceptional nation continues and endures instead of ending with us.
- Politics today is about victory over the other side.
- But what is the point of total victory over your political rivals if afterward there is no country left to govern?
- If and how we resolve this will not just define 21st-century America, it will define the century itself.
- For the first time in almost three decades, we are confronted with a near-peer competitor on the global stage.
- China is undertaking a patient effort to reorient the global order to reflect their values and their interests, at the expense of ours.
- It would be a global order in which the key industries and good jobs are based in and controlled by them;

- In which the principles of freedom of religion and speech are replaced by what they call “societal harmony”;
- And in which the right to elect your own leaders and voice dissent is replaced by a totalitarian system that criminalizes protest and imprisons minorities.
- Therefore, an America in which no one is held back by their gender, the color of their skin, or their ethnic origin is no longer just morally right, it’s a national imperative.
- Because in this competition with a near-peer adversary with three times our population, we need all hands on deck and can’t afford to leave anyone behind.
- This is a difficult challenge we face. But being America has always been difficult.
- For in the words of the late sociologist Robert Bellah, the American tradition – the “transcendent goal” of our politics – renders sacred our “obligation to carry out God’s will on Earth.”
- That is the difficult goal accepted by each generation before us. And we are the beneficiaries of their sacrifices and achievements.
- Now we must decide whether to accept the challenge of our time.
- Now we must author the next chapter in the story of the nation that changed the world.
- We have the opportunity to create an America greater than it has ever been – to give our children and grandchildren the chance to be the freest and most prosperous people who have ever walked the Earth.
- And if we succeed America will once again transform the world.
- And the 21st Century will be known as the New American Century.

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