

## ETHICS, ECONOMICS AND CANADA'S CATHOLIC BISHOPS

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In January of 1983, the Episcopal Commission for Social Affairs of the Canadian Conference of Catholic Bishops released a statement on the Canadian and international economies entitled, "Ethical Reflections on the Economic Crisis."<sup>1</sup> In that statement the Bishops criticized the "industrial vision and economic model that governs our society." "In developing strategies for economic recovery," they argued, "first priority must be given to the real victims of the current recession namely — the unemployed, the welfare poor, the working poor — pensioners, native peoples, women, young people — and small farmers, fishermen, some factory workers and some small business men and women." "This option," they continued, "calls for economic policies which realize that the needs of the poor have priority over the wants of the rich; that the rights of workers are more important than the maximization of profits; that the participation of marginalized groups has precedence over the preservation of a system which excludes them."

The Bishops analysed the present recession as "symptomatic of a much larger structural crisis in the international system of capitalism." "Through these structural changes," they said, "'capital' is re-asserted as the dominant organizing principle of economic life." Interestingly, given the technical level of their analysis, their critique is not economic, primarily, but ethical. The dominance of capital as the organizing principle, they argued, "directly contradicts the ethical principle that labour, not capital, must be given priority in the development of an economy based on justice." From the point of view of the Bishops, "the present economic crisis . . . reveals a deepening moral disorder in the values and priorities of our society." It is the ethical foundation for the Bishops' remarks and the implications of their participation in an economic debate with which this paper will be principally concerned. The Bishops' statement has achieved a certain notoriety, though, and there are two aspects of its reception by Canadians that merit brief comment.

The first is that it has received perhaps more public attention than any other Canadian Church document in recent memory. As of this writing (some five months after its release) it is still a matter of considerable public debate and interest. The second aspect that merits attention is that the business community and the federal Liberal Government have been either unwilling or unable to critique it with the force one might have expected. In part this is because of a tendency to dismiss the statement itself. The Bishops have been described as "poorly informed," "out of touch with reality," "beyond their depth," and "a bunch of dreamers."<sup>2</sup> In another way, the critics have been unable to understand the basis on which the Bishops have entered the debate and they

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have been unwilling to wrestle seriously with the resources and theoretical foundations relied on by the Church. The inability to understand the statement is demonstrated by the remark attributed to Bill Hamilton, a member of the Macdonald Commission on the Economy, who said: "It sounds to me as if we are dealing with people whose morality and economics are from the sixteenth century."<sup>3</sup> Nothing could be farther from the truth.

There are three major points that I would like to make in the course of this paper. The first is that the Catholic Bishops have relied squarely on their own area of expertise by entering the debate with an ethical critique of Canada's economic condition. This has confused those unfamiliar with disciplined ethical discourse; it has confused others because the Bishops have used economic terms with an ethical content. As will become clear, the use of ethical content in an economic debate is problematic for economic discourse in both the mainstream and on the margins of the discipline. This is especially true of the concepts of development, underdevelopment and dependency.

The second point is that apart from their experience of the Canadian reality, the Bishops have been influenced by movements originating in nineteenth century European philosophy and by the experiences of the Catholic Church in the Third World, most especially in Latin America. Furthermore, these influences have been felt by most of the other Canadian Churches as well.

The third point is that while the Catholic Bishops, in their statement, have relied on the analysis of political economy as over against economics, what has gone unnoticed is that their statement also represents a critique of political economy as that term is currently understood. The statement represents a critique because it has re-asserted an element in the established tradition of political economy which is frequently ignored by the political economists formed in the Marxist mold who now dominate the discipline. That element is the ethical dimension of political economy. The Bishops are demanding an ethic of means as well as an ethic of ends.

### Catholics and Underdevelopment

Contrary to the comments of a minority of critics, the Bishops have not assumed a cloak of expertise that is not their own. Rather, they have entered the debate precisely on the grounds where their expertise is most widely acknowledged — morality. For the Catholic Church, the problem with the Liberal Government's decision to attack inflation before unemployment is not only its limited effectiveness as an instrument but rather that it inverts the proper hierarchy of values by valuing things (capital) more highly than people. The Church is concerned with people and specifically with their development.

In 1967 Pope Paul VI issued an encyclical letter, *On the Development of Peoples* (*Populorum Progressio*). In that document he attempted to define a Christian vision of development. What is important to note is that the concept is not primarily an economic one. Rather it has its roots in a personal concept

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which is extended to the social level. It describes the development of peoples, not economies, and in that sense owes a debt to modern psychological theory. What is new for the document is that for the first time in Catholic social teaching it includes a discussion of trade relations as a part of development.

Development cannot be limited to mere economic growth. In order to be authentic, it must be complete: integral, that is, it has to promote the good of every man and of the whole man. As an eminent specialist has very rightly and emphatically declared: "We do not believe in separating the economic from the human, nor development from the civilization in which it exists. What we hold important is man, each man and each group of men, and we even include the whole of humanity."<sup>4</sup>

In another section the document continues,

As a result of technical progress the value of manufactured goods is rapidly increasing and they can always find an adequate market. On the other hand, raw materials produced by underdeveloped countries are subject to wide and sudden fluctuations in price, a state of affairs far removed from the progressively increasing value of industrial products. As a result, nations whose industrialization is limited are faced with serious difficulties when they have to rely on their exports to balance their economy and to carry out their plans for development. The poor nations remain ever poor while the rich nations become still richer.

In other words, the rule of free trade, taken by itself, is no longer able to govern international relations.<sup>5</sup>

This document is, in many ways, a continuation of the modern trends in theology and Church life initiated by the Second Vatican Council. It has provided, in turn, a major basis for the engagement of the Church in the development debate in both the First and Third Worlds.

One of the major new ingredients in the Second Vatican Council was the large representation from the Third World. The Catholic Church in particular has been profoundly affected by the colonial and post-colonial movements that followed the end of the Second World War. This influence is apparent in the 1975 Labour Day Message given by the Canadian Catholic Bishops under the title, "Northern Development: At What Cost?". During the course of that statement the Bishops made the following remarks:

We are especially concerned that the future of the North not be determined by colonial patterns of development, wherein a powerful few end up controlling both the people and the

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resources.

. . . what we see emerging in the Canadian North are forms of exploitation which we often assume happen only in Third World countries: a serious abuse of both the Native Peoples and the energy resources of the North. Herein lies the Northern dilemma. What has been described as the "last frontier" in the building of this nation may become our own "Third World".<sup>6</sup>

In this passage we see for the first time links being made between the Canadian experience, patterns of development typical of Third World countries, and the image of colonialism. These are links which get progressively stronger and more explicit in the following eight years. The year of this Labour Day Message (1975) was also the year in which the Canadian Catholic Bishops joined with the Anglican Church of Canada and the United Church of Canada to form the inter-Church "Project North." It subsequently became the major vehicle through which Church concerns for Native people were given voice.

Up until this point, underdevelopment had been used in Church statements to refer to a state of limited industrialization. It appeared to refer to a state of economic growth somewhere between fully-developed and undeveloped. In 1977, however, we see another shift beginning to take place. In December of that year, Canada's Catholic Bishops issued a pastoral message entitled, "A Society to be Transformed." In that document, they began to draw parallels between Canadian experiences and patterns of life thought to be normal in the underdeveloped Third World.

Although our country is called developed, it has many of the marks of underdevelopment.<sup>7</sup>

Among the characteristics they identified were large numbers of people living below the poverty line, foreign controlled companies exercising increasing power, persistent economic and social disparities between regions, threats to cultural sovereignty, and workers being excluded from the decision-making process. With the identification of Canada as a contradictory case where the characteristics of development and underdevelopment co-exist, the Bishops began the process of identifying underdevelopment as a relational concept. They did so because they saw that the characteristics of underdevelopment are the characteristics of unequal relationships. From the Bishops' point of view, love of God requires that we "establish the truest possible justice in all our relationships."<sup>8</sup>

In 1979, another inter-Church project in which the Catholics participate, GATT-fly, criticized the Alaska Highway Pipeline proposal by arguing that it would "lock Canada's energy, finance and industrial development even more deeply into a pattern of dependence on exports of non-renewable resources, into foreign indebtedness, and into underdevelopment of our manufacturing

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sector."<sup>9</sup> The following year Project North clarified the connection between their experience of the Third World and colonialism and their analysis of underdevelopment.

The positions of the Churches re chronic under-development of people in Third World countries are based on an analysis that, when the colonial powers withdrew and gave up political control, they did not relinquish economic power. And when political power was turned over, it was usually given to elitists, those already made in the image of the colonial masters, hence frustrating true self-determination.<sup>10</sup>

The Churches also argued that racism would be "perpetuated because of a domination — dependence relationship."<sup>11</sup> But for the Churches, development does not mean, simply, economic growth. In the same paper they defined development as "the process by which persons and societies come to realize the full potential of human life in a context of social justice, with an emphasis on self-reliance."<sup>12</sup> Conversely, underdevelopment becomes a relationship of inequality and it then becomes possible for the Churches to sensibly describe underdevelopment in an industrialized economy. The Churches do not maintain that an increase in G.N.P. will necessarily result in development.

The analysis of the Catholic Church in Canada with regard to development and underdevelopment, which has emerged in conjunction with the analysis of other Canadian Churches over the last fifteen years, should by now be clear. It should come as no surprise then, to see in the 1983 "Ethical Reflections on the Economic Crisis" a critique of the dominant Canadian economic model as "capital-intensive . . . energy-intensive . . . foreign controlled . . . and export-oriented."<sup>13</sup> In other words, they described it as capitalist, materialist, and dependent. What may surprise some is that this represents a mere reiteration of the same critique made in their statement of January, 1980, "Unemployment: The Human Costs". The analysis of the Churches has not only been developing over more than fifteen years, but the analysis of 1983 is essentially the same as (though more detailed than) the analysis of 1980.

### Influences on the Churches

As I have indicated already, the Catholic Church in Canada has not been alone in developing this analysis of the Canadian economy in relation to underdevelopment. In Canada, the last fifteen years have seen the development of unprecedented cooperation among Christian denominations on justice issues. There are now over one hundred such organizations across the country but attention is most often focussed on the most prominent national coalitions such as GATT-fly (working on issues related to trade, aid and development), the Inter-Church Committee on Human Rights in Latin America (I.C.C.H.R.L.A.),

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Project North (working with Canada's Native peoples), and the Task Force on the Churches and Corporate Responsibility (T.C.C.R.). Through these organizations, the Churches have assembled the resources for research and advocacy that were simply unavailable before. These groups have also been the vehicle through which common positions have been fashioned among the Churches. For this reason, the voices of support in 1983 offered to the Bishops by the leaders of Canada's other large denominations ought not to be interpreted as quick and ill-considered responses. Such responses rest on the history of cooperation between the Churches and in that sense, the statement by the Catholic Bishops can be seen as representative of a basic thrust in the mainline Churches as a group. Even prior to the development of specific coalitions, some Canadian Churches were making independent moves in the direction of an analysis of the connections between development, underdevelopment and dependency. The Anglican Church of Canada is a case in point.

In 1969, Prof. Charles Hendry of the School of Social Work at the University of Toronto submitted a report which had been commissioned by the Anglican Church of Canada. Published under the title, *Beyond Traplines*, it dealt with the situation of Canada's Native peoples. It was a response to the call made two years earlier for "forgiveness regarding Anglican participation in the perpetuation of injustices to Indians."<sup>14</sup> It signalled a major shift in that Church's response to Native claims for justice. In that report Prof. Hendry made the following remark:

A community becomes truly developed only when it can itself decide and charter its own course of action with only secondary reliance on experts, money and other resources from outside.<sup>15</sup>

In that passage the link is made, in a separate denominational tradition, between development and self-determination. It is still, primarily, a personal or social concept and an economic one only by extension. Like the Papal Encyclical, it shows a debt to movements originating in nineteenth century philosophy — to modernism and to existentialism and phenomenology. There we see for the first time the concept of humanity seeking its true end by seeking its own fulfillment. We see personal development emerging as the proper goal of human life.

In the Catholic tradition, the roots of this position have been traced back from the Second Vatican Council, through Joseph Marechal and transcendental Thomism to the French philosopher of action, Maurice Blondel. Gregory Baum has referred to this "shift to the subject" as the "Blondelian shift."<sup>16</sup> In the 1983 Catholic Bishops' statement on the economy, this tradition is most clearly expressed in the Bishops' reliance on the "Priority of Labour" principle. It is a specific reference to John Paul II's recent Encyclical "On Human Labour" (*Laborem Exercens*) but more generally it refers to the modern philosophical concept whereby labour is the activity and the arena in which humanity achieves self-realization (for a detailed commentary on the Encyclical and its roots in John Paul II's personal story, see Gregory Baum's *The Priority of Labour*<sup>17</sup>).

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The concept of development, like the Canadian Bishops' economic statement, has at least two roots outside of the Canadian experience. One is the European philosophical tradition just mentioned, and the second is the Third World. In the latter case we need to be reminded that the Church, and especially the Catholic Church, is not solely a national institution affected by national trends, but rather an international one. The 1983 statement acknowledges a clear debt not only to the Third World but specifically to Latin America. This is manifested by its reliance, as a first fundamental Gospel principle, on the "preferential option for the poor". According to this principle, the Church is obligated to differentiate between the experience of the strong, rich and powerful, and the experience of the weak, poor and dispossessed. In the Canadian case it means analysing the economic crisis from the perspective of the victims of that crisis — the unemployed.

The phrase "preferential option for the poor" originated in Latin America. It is associated with the movement known as "Liberation Theology" which identifies the liberation of the people of Israel from their Egyptian bondage as the most appropriate metaphor to describe the most hoped-for reality in Latin America today. Christians associated with this movement are using what they describe as a "praxis" approach which enables them to discern the social nature of sin in their communities and which equips them with the developing insight necessary to mount an appropriate and effective response. Praxis refers to a new epistemological and hermeneutical approach which seeks to re-unite theological reflection with the concrete experiences of people in their historical contexts. The concept of the preferential option for the poor was employed in the documents of the Second General Conference of Latin American Bishops at Medellin, Columbia in 1968 and received official sanction at the Third General Conference at Puebla de los Angeles, Mexico in 1979. The preferential option for the poor summarizes the notion that the Christian is obligated to relate to the world in the way Jesus would have done in that specific historical situation.

*Praxis* is defined by the fact that Jesus 'emptied himself to take the form of a servant' (Philippians 2:7) . . .

Taking the part of the dominated in a system of slavery, being the poor, the servant, is the starting-point for Christian praxis, for Christian ethics.<sup>18</sup>

The notable influence of Latin American Christianity on North American Churches and the increasing use of phrases like "Liberation Theology" and words like "praxis" (despite its distinguished and ancient pre-marxist lineage) have caused some people to cast aspersions on the fidelity of contemporary Christians to their own theistic tradition.<sup>18a</sup> It is important to underline the misguided nature of that critique. It is not that these people have abandoned their Christianity for Marxism but rather that they are tilling common ground. As the Geneva-based theologian Ans Van der Bent has written,

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Christians cannot avoid the risks of involvement in an arena where others, marxists included, have made competing claims to offer authentic and workable solutions.<sup>19</sup>

The experience of the Third World Church has not influenced the Canadian Churches simply by direct transfer through personnel exchange, though there has been some of that. Rather, there have been other experiences that have served to join the two situations. As an example, we should note how the Mackenzie Valley Pipeline Inquiry and the struggles of the Dene for self-determination have served as major avenues of mediation between Third World analysis and the Churches' Canadian experience. Through the efforts of the Churches to assist the Native people, issues related to underdevelopment and dependency have been faced with a great deal more discipline than would otherwise have been the case. In the same vein, through the Berger Inquiry, the Dene were able to secure the funds necessary to hire southern academics who helped them prepare submissions to the Inquiry. Because the Dene hired academics like the political economist Mel Watkins (who has been influenced himself by Third World economic debates), there has existed for the Churches yet another indirect source of analysis regarding underdevelopment and dependency.

### Ethics and Dependency

The Canadian Catholic Bishops have criticized the Canadian Government's economic model and industrial vision on the basis of its inversion of the right order of values. They have also criticized the dominant approach to economics on the same basis. By this action they have put themselves in the company of others who are critical of the mainstream positions in economics, and who feel that values have a place in the debate — namely, the political economists.

The distinction between political economy and economics (in spite of the efforts of this and other journals) still strikes the ears of some as a curious and unhelpful anachronism. In his 1974 review of the term "political economy," Paresh Chattopadhyay traced the origin of the phrase to the early seventeenth century, noting that the modern tendency to use the word "economics" can be traced to the late nineteenth century work of Alfred Marshall. Chattopadhyay goes on further to say that while the phrase, political economy, can have several different meanings, "it is being set up mostly as a standard of revolt against 'orthodox' economics."<sup>20</sup>

Let me suggest that since, in Canada, the term political economy is used overwhelmingly (but not exclusively) by theorists of the left, it is an attempt by those people to distinguish themselves from an economics that claims for itself the status of a positive, value-free science. Scientists of the latter tradition, the economists, would see themselves as obligated to embrace with dispassion a



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politically neutral position with regard to their research. They would think of value commitments as liable to cloud the judgement of the researcher. Left-wing political economists however, seek to clarify the ideological dimension inherent in those positions. As such, the work of political economy is an attempt to reclaim the fullness of the economic debate. One consequence of this is an attempt to provide an economic home for the ethical dimension of means/ends debates.

The Catholic Bishops have entered Canada's political debate on the economy through the door marked "political economy" because they share with others a distrust of the values inherent in the dominant economic model and industrial vision. This distrust allows the Bishops to critique the framework of values (the ideological dimension) upon which the arguments of the dominant forces rest. It also allows them to describe the current crisis as a crisis in the international system of capitalism, since these same problems and these same values seem prominent elsewhere. Since the Bishops appear as critics of capitalism, some would conclude that they have identified themselves with the Marxist alternative. This impression is further complicated by the reliance of the Bishops on the work of Marxist dependency theorists like Samir Amin and André Gunder Frank. The Bishops, though, are not Marxists. In the same way that they have entered the economic debate on the basis of their ethics and not their economics, so they have appropriated the analysis of André Gunder Frank on the basis of his ethics, not his Marxism. Let us consider the nature of Frank's analysis.

Frank is an American trained, German born Marxist political economist who made his reputation with studies of the relationship between capitalism and development in Latin America. In particular, Frank described the Latin American experience of underdevelopment as an integral part of the Latin American experience with capitalism. Frank reached back into the correspondence of early Spanish Governors to demonstrate his thesis that from the earliest period the colonial capitalist system sucked funds away from Latin America and these missing funds accounted for the inability of the people there to reach the state of "development". He also described how the demands of the Spanish system completely changed the economic relationships that previously existed in the countries of Latin America. Frank used the phrase metropolis — satellite to describe the economic relationship between and within nations. *Between* nations, the phrase is used to describe a relationship typical of mercantile capitalism where the metropolis trades manufactured goods for the raw materials or staples of the satellite. *Within* nations, Frank used the phrase to describe a typically colonial relationship whereby the strongest cities or regions arrogate to themselves political and economic power at the expense of the weakest and most distant regions.

Frank's major contribution though, is his description of development and underdevelopment as two faces of the same process. For him, underdevelopment is not merely a median stage between no development and full development. It is a necessary consequence of capitalist development.

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. . . underdevelopment, as distinct from undevelopment, did not pre-date economic development; nor did it spring up of itself; nor did it spring up all of a sudden. It developed right along with economic development — and it is still doing so. It is an integral part of the *single* developmental process on the planet during the past five centuries or more.<sup>21</sup>

Frank argues that staples exports provide more stimulus to the economies at the centre than they do to economies at the margin where staples are produced, and further, that this is a necessary consequence of an international system based on the expropriation of surplus value. For Frank, surplus value is the basic building block of developmental life. When surplus value is expropriated through staples export, the centre or metropolis can develop beyond its normal capacity and the margin or satellite is permanently restricted to the underdeveloped role allowed for it in that relationship.

An important dimension to Frank's research is his insistence that underdevelopment is not just a relative and quantifiable state. He insists that underdeveloped does not mean just less rich than fully developed, or less developed than fully developed. Rather, he insists that underdevelopment is a *relational* and qualitative term.<sup>22</sup> Underdevelopment is a state of dependency which is brought about in the satellitic country precisely because of the nature of its relationship with the metropolitan country. It is a system of relationships reproduced throughout the economic chain.

This view of development as a relational process is an important one because it challenges not only the dominant assumption that development is a quantitative state but also because it insists that real development cannot take place without confronting the economic relationships which have produced the underdevelopment. I have noted previously that the Canadian Churches' active support for the Dene during the Mackenzie Valley Pipeline debate was a crucible for their understanding of the development process. Into the mix went concerns for racism, colonial relationships, economic growth, self-determination and a present day experience of the Third World. One of the resources they were able to draw on was the experience of Catholic missionaries with the indigenous peoples of Latin America. André Gunder Frank was an obvious ally in that regard. Pursuing the phenomenon of the repeating satellitic structure, Frank was able to show how the Native people of Latin America, rather than having had development pass them by, have suffered the butt-end of capitalist development. They have been marginalized not because they occupy remote areas of the country but because they occupy the final hinterland of the last metropolis and they therefore bear the weight of all the other satellites upon their heads.<sup>23</sup>

In this context, the concepts of dependency and underdevelopment are closely linked. According to the Frank analysis, the same relationship which would be described as dependent would be the relationship that causes underdevelopment.

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The Catholic Bishops are attracted to this analysis in part because of the parallels they see between the Latin American situation and the Canadian situation. Although the Bishops do not use the term "dependency," it is, in fact, part of their critique. In their "Ethical Reflections on the Economic Crisis," they criticize Canada's present model of economic development for being primarily "... foreign controlled (orienting development priorities to external interests); and export oriented (providing resources or products for markets elsewhere rather than serving basic needs of people in this country)."<sup>24</sup> This is as clear a critique of dependency as any Frank could provide. When the Bishops call for capital to be re-distributed to underdeveloped regions and for "self-reliant models of economic development,"<sup>25</sup> they are also relying on an analysis of dependency. Dependency is closely linked to underdevelopment because it too is a *relational* concept. It describes a relationship of power and who exercises it. Of course, that also makes it a profoundly ethical concept and so it should come as no surprise to find the Bishops describing an alternative economic vision that "could place priority on ... an equitable distribution of wealth and power among people and regions."<sup>26</sup>

André Gunder Frank represents only one attempt to explain the relationship between underdevelopment and dependency and not necessarily the best one. Indeed, his work has become quite controversial. It is significant though, that the controversial character of his analysis is essentially irrelevant to the concerns of the Catholic Bishops. Whether or not his argument succeeds in developing a *formal* theory of dependency, whether or not the internal characteristics of underdevelopment can be causally linked to external factors, and whether or not he and his followers have successfully demonstrated the integration of colonial economies into a sixteenth century capitalist economic order, these questions are tangential to the concerns of the Canadian Churches. From the point of view of the Bishops, the aspects of his work that are most likely to be criticized by other political economists, are the aspects of his work to which they are most attracted.

For example, Frank's establishment of the terms dependency and underdevelopment in a tautological sequence so that a dependent relationship, by definition, results in underdevelopment, is an approach with which Church leaders would have little difficulty. It is important to remember in that regard that the Churches typically concern themselves with *the development of peoples, not economies*. They are concerned with economic growth only when growth stands to be a potentially positive development for people. In the language of the Bishops, dependency is by definition not full autonomy, and lacks the crucial ingredient of self-determination. It is therefore not full development and hence, people are under-developed. For this reason, the apparent contradiction of relying on the Marxist analysis of André Gunder Frank at the same time as one is relying on the capitalist analysis of E.F. Schumacher (as the Bishops do in their 1980 statement "Unemployment: The Human Costs" — see notes 21 & 33) is dissolved. For Schumacher, as for the Bishops, economic growth is an instrumental good rather than a final good and so may or may not be an

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adequate way of overcoming underdevelopment. Similarly, while it would be difficult to imagine Frank arguing that underdevelopment could be overcome by anything other than growth per se, it is a necessary but not a sufficient condition. Therefore, the argument is about whether certain kinds of growth could really solve the problems at hand. This ethical dimension to Frank's conception of underdevelopment and dependency is what attracts the attention of the Catholic Bishops. Conversely, it is this same ethical dimension that causes him to be criticized by other political economists in the Marxist tradition. Gabriel Palma is a case in point.

In his 1978 review of the dependency debate, Palma identifies the ethical content of the debate but leaves it unexplored since for him it is a weakness rather than a strength. In describing that school of dependency theorists of which Frank is such a prominent member, Palma makes the following observations:

Perhaps the other distinctive aspect of this line of Latin American thought was that it made a basically *ethical* distinction between 'economic growth' and 'economic development'. According to this, development did not take place when growth was accompanied by:

- (i) increased inequality in the distribution of its benefits;
- (ii) a failure to increase social welfare, in so far as expenditure went to unproductive areas — or even worse to military spending — or the production of unnecessarily refined luxury consumer durables;
- (iii) the failure to create employment opportunities at the rate of growth in population, let alone in urbanization; and
- (iv) a growing loss of national control over economic, political, social, and cultural life.

By making the distinction in these terms, their research developed along two different lines, one concerned with the obstacles to *growth* (and in particular to industrial growth), the other concerned with the perverse character taken by *development*. The fragility of such a formulation consists in its confusing a socialist critique of capitalism with the analysis of the obstacles of capitalism in Latin America.<sup>27</sup>

It may well be that there is a legitimate problem in so far as the theorists in question have 'done what they ought not to have done and not done what they ought to have done.' That is to say, Frank may be making an ethical distinction that he does not claim to make nor care to make. But the quotation is used to illustrate the point that what is for Palma a "fragile formulation," is to the Bishops solid ethical ground. Moreover, the ethical distinction is not just problematic for Frank and his followers but rather, for Marxist political economy

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as a whole.

It is a curious phenomenon that economists of the left and the right should be equally suspicious of the concern for values, though for different reasons. For economists in the mainstream of capitalist society, values are impediments to rational judgement. For political economists in the Marxist tradition, values are necessary ideological commitments. For the latter group, a politically neutral standpoint is not only undesirable but impossible and therefore fraudulent when claimed. However, the ideological dimension looms so large for this group that all value claims are thought to focus on the question of ideological choice. Therefore, when an ethical distinction is made in the dependency debate it is thought to be an unnecessary diversion into the debate about the moral superiority of socialism. Within their own ideological framework, Marxist political economists are just as unwilling to grant space to an ethical debate. Like their capitalist colleagues, Marxist political economists have a tendency to assume the legitimacy of their ends in such a way that all discussion about means is reduced to a discussion of technique.

Aside from the bias of contemporary First World economists to statistical analysis, the reason for this suppression of the ethical dimension by political economists of the left lies in a contradiction fundamental to Marxism. Marx's own work can be characterized as a variant of the natural law tradition in ethics whereby we ought to become who we really are. Eugene Kamenka summarized Marx's position as follows:

The presupposition and the true end of ethics, of philosophy, of all human activities, is the free, truly human man. Man is potentially the only *subject* in a world of objects, and anything that turns him into an object, subordinates him to powers outside himself, is inhuman.<sup>28</sup>

On the other hand, Engels can be found arguing insistently, the relativity of all morals. Specifically, he argued that moral ideals are social products dependent on the practical relations generated by class position.<sup>29</sup> Rather than spurring on a creative debate which would include some novel reflections on the sociology of morals, this has remained a theoretically unresolved contradiction. Its practical effect in political economy has been to suppress the ethical debate at the level of means since the only place where ethics has a clear use is at the ideological divide where one might debate the moral superiority of socialism. But this really amounts to a collapse of ethical concern into an ideological joust which is decided, in any event, not by argument but by conversion. Within the Marxist tradition of political economy, an ethical approach to issues of economic development is still ruled out of court.

The Catholic Bishops have joined with political economy in order to provide a critique of the values inherent in the economic model being promoted by the present Government. Ethics is their key to the door of this debate. Ethics is also the content that attracts them to the research and work of André Gunder Frank.

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Since Frank's ethical content is precisely that aspect of his work that is least valued by other political economists in the marxist tradition, we can see that the ethical reflections of the Catholic Bishops represent not only an overt critique of mainstream economic theory but also an implicit critique of marxist political economy. In both cases the means of development are evaluated by strictly 'economic' standards. The best means of achieving ends assumed to be appropriate are judged by their practical efficiency. From the Bishops' perspective, the ethic of means has become a straight calculation of utility. At its narrowest, the ethical dimension of instrumentality has been denied. The Bishops have unlocked the debate about means in the same manner in which they have renewed the debate about ends. In seeking to move beyond the distorting comfort of instrumental reason, they have produced a critique which can act like a two-edged sword with implications for both economics and political economy.

This is particularly interesting given the universal welcome the ethical reflections of the Bishops were given by critics on the left. To their surprise though, it may turn out that they have grasped a rose which comes with thorns attached. As the Catholic Bishops continue to deepen their analysis, and other Churches seek to respond to those specific initiatives, we can expect them to rely less on the resources of Third World theorists and more so on the work of Canadian theorists. The group that would seem most amenable to such an appropriation would be that group known by the phrase, the "New Political Economy."<sup>30</sup> This particular group is likely to be attractive to the Churches because through people like Mel Watkins, the ethical content of Frank has been married to the nationalist and non-marxist scholarship of Harold Innis. In the course of that marriage the "staples thesis" of Harold Innis has been transformed from a theory of economic growth into a theory of subordination and dependency. That transformation will provide a firm foundation for an ethical debate about the merits of staples exports as a vehicle for Canadian development. The criticism of the mega-projects by the Bishops<sup>31</sup> (as providing for economic growth but not development) already represents that position in essence. That is especially so if one recalls the importance for the Churches of the Mackenzie Valley Pipeline debate, and the parallel argument advanced by Watkins at that time on behalf of the Dene.

On the other hand, the Churches will be relying on people like Watkins on the basis of the ethical content to their scholarship and in spite of their marxism. This is likely to provoke attacks from those to the left of Watkins who are concerned to distinguish "true" (orthodox) marxism from "false" (heretical) marxism (for an example of this kind of reasoning, see David McNally's critique of Watkins et al. in *Studies in Political Economy: A Socialist Review*, Autumn, 1981). Of course, given the tenor of Ian Parker's critique of MacNally<sup>32</sup>, it is difficult to know to whom the thorns on the rose will do more damage. Still, it would be one of history's more ironic moments if in the final decades of the twentieth century, it is the Canadian Churches who are helping to unite disparate forces in the struggle to realize a right order of social relations, and it is the marxist left which

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is condemned to the toil of Sisyphus, struggling with the rock of dogmatic belief.

The irony would stem, in part, from the bleak history of the Churches in acting as agents of social transformation. Marxists, moreover, have provided some of the most trenchant critiques of ecclesiastical collusion with elites. But the history is not universally dark. There are many patterns of relation between Church and society which have had different results regarding social change.<sup>33</sup> The pattern in the twentieth century is as varied as the difference between the reaction of the Catholic Church in China to the revolution of Mao Zedong (active resistance) and the reaction of the Catholic Church in Nicaragua to the revolution of the Sandinistas (active support). What role might be both available and proper to the Canadian Churches (Catholic and Protestant) is not clear and merits debate. The history merely indicates that it cannot be pre-determined.

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### Notes

1. The Episcopal Commission for Social Affairs, "Ethical Reflections on the Economic Crisis", Canadian Conference of Catholic Bishops, Ottawa, 1983.
2. Quoted by Peter Rickwood and William Bragg in "Carter rejects bishops' blast on economy", *Toronto Star*, January 1, 1983, p. A4.
3. Ibid.
4. Pope Paul VI, "Populorum Progressio", Mar. 26, 1967. Reprinted in David J. O'Brien and Thomas A. Shannon (eds.) *Renewing the Earth*, Garden City, N.Y.: Doubleday & Co., 1977, p. 317.
5. Ibid., p. 333.
6. Canadian Conference of Catholic Bishops, "Northern Development: At What Cost?", Labour Day Message, 1975, Ottawa. paragraph 12.
7. Canadian Conference of Catholic Bishops, "A Society to be Transformed", Pastoral Message, December 1, 1977, paragraph 3.
8. Ibid., para. 10.
9. GATT-fly, "Where is the Alaska Highway Pipeline Taking Us?", Toronto, March 20, 1979.
10. Project North, "Native People and Economic Resource Development in Northern Parts of Canada — A Basis for Action", Toronto: Mimeo, 1980, p. 9.
11. Ibid., p. 2.
12. Ibid., p. 6.
13. Episcopal Commission for Social Affairs, "Ethical Reflections . . ."
14. Quoted in H. & K. McCullum, *This Land is Not For Sale*, Anglican Book Centre, Toronto, 1975, p. 180.
15. Anglican Church of Canada, *Beyond Traplines*, Toronto: Ryerson Press, 1969, p. 11.

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16. G. Baum, *Man Becoming*, New York: The Seabury Press, 1970, p. 23.
17. G. Baum, *The Priority of Labour*, Ramsey, N.J.: Paulist Press, 1982.
18. Enrique Dussel, "Analysis of the Final Document of Puebla: The Relationship between Economics and Christian Ethics", in Dietmar Mieth and Jacques Pohier (eds.) *Christian Ethics and Economics: The North-South Conflict*, Concilium, Dec. 1980, p. 102.
- 18a. The single most important book representing this shift in emphasis for theology is Gustavo Gutierrez's *A Theology of Liberation*, Orbis Books, Maryknoll, N.Y., 1970. The closest thing to a Protestant equivalent also coming out of Latin America is Jose Miguez Bonino's *Doing Theology in a Revolutionary Situation*, Fortress Press, Philadelphia, 1975. The Ecumenical Association of Third World Theologians has sponsored a series of international conferences. The papers from many of these have been published in a series by Orbis Books in Maryknoll, N.Y., and edited by Virginia Fabella and Sergio Torres. A good one volume introduction to the range of Third World theologies is *Mission Trends No. 3: Third World Theologies*, Paulist Press, Ramsey, N.J. and Wm. B. Eerdmans Publishing Co., Grand Rapids, Mich., 1976. It is edited by G.H. Anderson and T. F. Stransky, C.S.P. .

It would be a mistake to think, though, that all Latin American Christians are on the left. In fact there is a fierce battle raging at various levels of the Catholic Church in Latin America. One must keep in mind that some Catholic Bishops are blessing the tanks of the dictators at the same time as priests are joining guerrilla armies. This battle is also being waged denominationally. On a continent overwhelmingly Roman Catholic, some Central American governments have taken to encouraging American Protestant and Evangelical missionary groups. They are then used to counter the influence of Catholic aid organisations, like Caritas, which are seen as being too radical and too sympathetic to insurgents. Significantly, the previous President of Guatemala, Rios Mont, is a "born-again Christian".

In the United States, the most important centre for conservative reaction to these trends in the Churches is Ernest Lefever's American Enterprise Institute. It has close connections to the Reagan administration and publishes the work of people like Michael Novak, author of *Toward a Theology of the Corporation*, American Enterprise Institute, Washington, 1981. On the other side of the spectrum, theological reflection using the liberation motif is being used by many American groups but most notably by feminists and blacks. For a good example of each see Rosemary Ruether's *Liberation Theology*, Paulist Press, N.Y., 1972 and James Cone's *God of the Oppressed*, The Seabury Press, N.Y., 1975. For a one volume introduction to American and European efforts in this direction see Anderson and Stransky (eds.) *Mission Trends No. 4: Liberation Theologies*, Paulist Press, N.Y. and Wm. B. Eerdmans Publishing Co., Grand Rapids, Mich., 1979.

In Canada, the tension between left and right in the Church has been most obviously demonstrated by the negative reaction of Cardinal Carter to the January statement on the economy issued by his colleagues. His resistance extended to his establishing a public hearing on the statement in an unsuccessful attempt to generate a more widespread negative reaction. The general influence of Third World Christianity on Canadian Churches has been to focus attention on the Canadian context for theological reflection. Examples of this kind of reflection can be found in the volume edited by Ben Smillie *Political Theology in the Canadian Context*, Wilfrid Laurier University Press, Waterloo, Ont., 1982, as well as in Doug Hall's *The Canada Crisis — A Christian Perspective*, Anglican Book Centre, Toronto, 1980, and in the essays edited by Graham Scott, *More Than Survival: Viewpoints Toward a Theology of Nation*, Canec Publishing and Supply House, Don Mills, Ont., 1980.

19. Ans J. Van der Bent, *Christians and Communists*, World Council of Churches, Geneva, 1980, p. 49.
20. Paresh Chattopadhyay, "Political Economy: What's In a Name?", *Monthly Review*, April 1974, p. 23.
21. André Gunder Frank, *Capitalism and Underdevelopment in Latin America*, Monthly Review Press, New York, 1967, p. 242.



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22. Ibid., p. 9.
23. Ibid., p. VIII.
24. C.C.C.B., "Ethical Reflections . . ."
25. Ibid.
26. Ibid.
27. Gabriel Palma, "Dependency: A Formal Theory of Underdevelopment or a Methodology for the Analysis of Concrete Situations of Underdevelopment?", *World Development*, Vol. 6, 1978, p. 908.
28. E. Kamenka, *Marxism and Ethics*, London: Macmillan, 1969, p. 11.
29. Engels wrote:

But when we see that the three classes of modern society, the feudal aristocracy, the bourgeoisie, and the proletariat, each have their special morality, we can only draw the conclusion that men, consciously or unconsciously, derive their moral ideas in the last resort from the practical relations on which their class position is based — from the economic relations in which they carry on production and exchange.

Quoted in Howard Selsam and Harry Martel (eds.), *Reader in Marxist Philosophy*, New York: International Publishers, 1963, p. 251.
30. See Daniel Drache, "Rediscovering Canadian Political Economy", in Wallace Clement and Daniel Drache (eds.), *A Practical Guide to Canadian Political Economy*, Toronto, 1978; and Mel Watkins, "The Innis Tradition in Canadian Political Economy", *Canadian Journal of Political and Social Theory*, Vol. 6, Nos. 1-2 (1982).
31. C.C.C.B., "Ethical Reflections . . ."
32. Ian Parker, "'Commodity Fetishism' and 'Vulgar Marxism': On 'Rethinking Canadian Political Economy' ", *Studies in Political Economy: A Socialist Review*, Number 10, Winter 1983.
33. One of the most well known typologies can be found in H. Richard Niebuhr's *Christ and Culture*. New York: Harper and Row, 1951.