

“Nine Libertarian Heresies”—A Final Surrresponse

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In beginning my final response in the controversy, my feelings are mixed. On the one hand, from the fact that I failed to persuade him to withdraw “Nine Libertarian Heresies” or meet before the sweet by and by, it is obvious that I overestimated Finn’s good sense. Yet, I think it right to have erred in that direction. Hope springs eternal. On the other hand, it is gratifying to have the Catholic Corollary of Mueller’s First Lemma confirmed so decisively: “The readiness of Catholic economists to accuse one another of heresy is proportional to the logical insufficiency of and, thus, lack of empirical support for their economic theories.”

Finn has answered not only my initial reply, but also one by Santelli, alphabetically the first of Santelli et al., coauthors of *The Free Person and the Free Economy: A Personalist View of Market Economics*. I had the pleasure to meet and vigorously but agreeably disagree with Santelli at the Catholic University of America’s 2011 summer institute on Catholic social thought.¹

It is significant that Finn starts his initial response by bracketing what he will henceforth discuss (points of disagreement with Mueller and Santelli) and will not discuss (points of agreement). As I suggested in my initial response, the cause of this asymmetry is that Finn’s theoretical framework does not permit him to explain simply the similarities and differences among various economic theories or moral philosophies. In my initial response, I outlined the framework by which to identify areas of both agreement and disagreement among any economists whatsoever, including Finn, those he has attacked, and myself. Furthermore, Finn is silent about the “more careful and self-critical articulation” that he enjoined on everyone but himself. Finally, he failed to respond to my challenge “simply to

state his theory, by describing his four (or five) categories in a way that, like the scholastic method, is both logically complete and empirically testable.” Applying Mueller’s First Lemma, I still contend that Finn did not because he cannot.

Finn regards my effort accurately to classify economic theories, including his own, as (1) idiosyncratic (“intense”) and (2) superfluous, including, “for some reason, Mueller interprets my article as a discussion about economic theory,” (3) classifying my claim that “rather than nine different errors, they are essentially the same error repeated nine times with varying degrees of imprecision” as “a mysterious assertion,” which (4) ignores “complex moral arguments among philosophers and theologians,” and finally, (5) he declares that my method is a distraction from the way he conceives this controversy should have been conducted: namely, all of it “directly engaging my [Professor Finn’s] work” and specifically “the article at hand.”

To this I respond:

First, from the beginning, this controversy has fundamentally concerned the adequacy of economic theory of those involved and its conformity with Catholic social doctrine. Finn eagerly initiated the discussion but wishes suddenly to curtail it because I focused attention on the inadequacy of his own economic theory and understanding of Catholic social doctrine.

Second, the categorization of economic theories I have laid out is basic and unavoidable for anyone who claims like Finn to teach economics and Catholic social doctrine. *He cannot possibly describe heresy when he cannot describe orthodoxy.*

Third, I will trace the origin of Finn’s mystification to his borrowing from modern sociology in my discussion of “methodological individualism” below. It is not unlike anyone’s mystification that he cannot play the piano despite once having studied it, thanks to shirking basic piano exercises while young or thinking it too late to renew the discipline as a grownup.

Fourth, Finn’s insistence that the spotlight be trained always on himself rather than the subject of our discussion necessarily blinds him while overshadowing the subject—the “needless obfuscation” that I noted in my earlier reply. Saint Jerome wrote, “I do not want the person who wishes to understand the Apostle through me to have such a difficult time making sense of my writings that he has to find someone to interpret the interpreter.”²² By contrast, Finn treats economic theory and Catholic social doctrine as too “complex” to explain or grasp clearly and wants the whole controversy to be absorbed by interpreting his own muddied interpretation.

Finally, it was obvious from the first paragraph of “Nine Libertarian Heresies” that Finn’s preferred approach would have been utterly impracticable, for the same reason he cites in his first response: “the constraints of space.”

That paragraph contained two significant errors. First, Finn introduced and continued to use the term *capitalism* without definition, against John Paul II’s emphatic advice in *Centesimus Annus* (40). *Capitalism* has no analytical content apart from Adam Smith’s erroneous “labor theory of value”—actually, a theory of production claiming that all value is derived from labor alone—which Karl Marx took to its thoroughly logical but absurd conclusion. For this reason, no discussion of *capitalism* can be anything but a pillow fight in the dark. Second, by dating “the systematic moral defense of self-interest in market relationships that has been employed in secular thought” to Bernard Mandeville in 1705, Finn was off by centuries if not millennia, depending on whether “secular economic thought” is confined to modern thinkers or construed to include Greco-Roman economic thought. (The Stoic and Epicurean philosophies were little else but systematic moral defenses of self-interest.)

Extrapolating from this sample, I estimated that there must be some 135 such errors in Finn’s initial article. This is why, rather than adopting Finn’s advice to battle the cancer of his errors cell by cell by cell, I focused on two different and more productive tasks. First, I outlined the scholastic economic theory that is the key to interpreting every other economic idea, as well as comprising the economic toolkit of Catholic social thought, and subsequent deviations from it. Second, I isolated within Finn’s “Nine Libertarian Heresies” its “sentinel errors” (by analogy with the “sentinel lymph nodes” that cancer cells require to metastasize in the human body): Those basic misunderstandings from which Finn’s many lesser errors metastasize. Remove the sentinel node or sentinel error, and the metastasis of cancer or error ceases.

As I pointed out in my initial response, Finn incorrectly understands both justice in exchange (commutative justice) and distributive justice (which he erroneously identified with the universal destination of goods). Prolix citations of papal encyclicals were superfluous. All that was necessary was to compare Finn’s mischaracterization with two corresponding paragraphs from the *Catholic Catechism*.

Finn’s *modus operandi* in answering me is characteristic of his treatment of nearly everyone else he mentions: first, failure to quote those he is criticizing accurately or at all; second, misattributions of opinion through paraphrasing; third, failure to use terms consistently; finally (and inevitably), logical *non sequiturs*.

Finn seems to have assumed that no one had read or would look up any of his citations, but such misattribution is self-defeating here because it assumes that every reader of the *Journal of Markets & Morality* will be too lazy to flip back a couple of pages to compare what I wrote with Finn's mischaracterization. For example: "Mueller takes me to task for my description of commutative justice as not encompassing the giving of gifts," and "he assumes that gift-giving is 'an exchange,' while a pure gift is given with no expectation of anything in return." No, I took Finn to task for erroneously describing commutative justice as "that standard of justice that should prevail in one-to-one voluntary transactions" and as "fair treatment in one-to-one relationships," whereas (as I pointed out), following Aristotle and Aquinas, "The *Catechism* corrects this by describing 'commutative justice which regulates *exchanges* between persons.'" Finn mentioned gifts here only *after* I pointed out that they are absent from his own economic theory (as well as from every other branch of neoclassical theory).

Hence, I wrote,

Similarly, Professor Finn misstated distributive justice, writing: "Distributive justice requires that actions and institutions related to owning and using the goods of the earth must ensure that the needs of all are met." Again the *Catechism* corrects this: distributive justice "regulates what the community owes its citizens in proportion to their contributions and needs." In other words, distributive justice applies to *common*, i.e., jointly owned goods, not *all* goods.

Although Finn calls this statement a "deductive leap," the fact that distributive justice applies only to common goods is self-evident to anyone who grasps the nature of distributive justice. As Aristotle put it, distributive justice is "the justice which distributes *common* possessions ... always in accordance with the kind of [geometrical] proportion mentioned above."³ Aquinas similarly described "distributive justice, which distributes *common* goods proportionately."⁴ It follows necessarily that distributive justice could be applied to all "the goods of the earth," as Finn claimed, only if all goods were common goods.

However, this raises the question: Where does the authority for accepting the nature of distributive justice and justice in exchange come from? The *loci classici* are the ones I cited in the table incorporated in my initial reply, namely, Aristotle's *Nicomachean Ethics*, V, 3 and V, 5. I chose instead to cite their statement in the *Catholic Catechism*, which John Paul II described when promulgating it as "a statement of the Church's faith and of Catholic doctrine, attested to or illuminated by Sacred Scripture, the Apostolic Tradition, and the Church's Magisterium."⁵

Why? Does this part of Catholic social doctrine depend on the authority of the pagan Aristotle? Or does it derive instead from what Finn calls "his [that

is, my: Mueller’s] most respected authority, Thomas Aquinas”? Neither. Since becoming tolerably acquainted with Aquinas, I have never once cited him as an authority for anything. The authority comes from the reality of human nature described, not from those who describe it. Those who apprehend this reality accept it immediately without reference to Aristotle, Aquinas, or Catholic social doctrine; or, if it concerns divine revelation, the authority is God. As Aquinas observed,

the existence of God and other like truths about God, which can be known by natural reason, are not articles of faith, but are preambles to the articles; for faith presupposes natural knowledge, even as grace presupposes nature, and perfection supposes something that can be perfected. Nevertheless, there is nothing to prevent a man, who cannot grasp a proof, accepting, as a matter of faith, something which in itself is capable of being scientifically known and demonstrated.⁶

Such is most of Catholic social doctrine. Those such as Finn who do not understand the nature of justice in exchange and distributive justice by reasoning from commonly accessible human experience must accept it on an authority such as the *Catholic Catechism*. This is why the proper way for me to correct Finn’s errors about distributive justice and justice in exchange was to cite the *Catholic Catechism*, not Aristotle’s *Nicomachean Ethics* or Aquinas’ *Summa Theologiae*.

Finn revealed another sentinel error in his exchange with Santelli about “methodological individualism”: namely, the “‘organic’ understanding of society” that Finn claims is “embodied in the Catholic tradition.” I must state as emphatically and sharply as possible: *Catholic social thought does not have an “organic” understanding of human society*. There is a very simple reason: such an understanding is incoherent.

As Thomas Aquinas carefully explained, for any individual human to lead a good life “two things are required. The first and most important is to act in a virtuous manner (for virtue is that by which one lives well); the second, which is secondary and instrumental, is a sufficiency of those bodily goods whose use is necessary for virtuous life.”⁷ Both are true of community life as well, Aquinas added, but every community also has a third vital concern—its own unity, that unlike an individual’s, is *not* naturally organic.

The flaw in the “organic” analogy, Aquinas pointed out, is that while every animal (rational or irrational) has an inherent and literally organic natural unity—which is why we do not worry, for example, that we will lose an arm or leg if we run—“the whole which the political group or the family constitutes has only a unity of order, for it is not something absolutely one.”⁸ Treating purely human communities as “organic unities” or “organisms” is erroneous because, as “unities

of order,” such communities are constantly threatened by dissolution *precisely through loss of members*.

The only society that can properly be called organically united *without* its members losing individual identity and freedom is the mystical body of Christ. As Augustine summarized the theologies of John and Paul, “What the soul is to the human body, the Holy Spirit is to the Body of Christ, the church.”⁹ However, Finn cannot apply this legitimately “organic” concept to purely human society unless he identifies the Earthly City with the body of Christ.¹⁰ As John Paul II noted, “no political society—which possesses its own autonomy—can ever be confused with the kingdom of God.”¹¹

Finn has given little notice to the main positive aspect of Santelli et al.: their effort to articulate what the authors call “a personalist view of market economics.” Finn criticizes them and most of the others he attacks for employing “methodological individualism.” What are the relative merits of these two views?

Finn’s end of the exchange proves again that his concept of economics derives neither from scholastic economics nor the younger body of Catholic social doctrine but rather, according to Finn, “the sociologist’s analysis of the interplay of individual agency and social structure”—specifically, from Margaret S. Archer’s *Realist Social Theory: The Morphogenetic Approach*.¹² As Archer correctly noted in that book, there is a contradiction at the heart of modern sociology that goes back to what she calls its “founding fathers”: Auguste Comte, Emile Durkheim, J. S. Mill, and Max Weber.¹³ Although failing to resolve that contradiction herself, Archer uses the flawed analysis to claim that Christianity rests on an irreconcilable contradiction. *Realist Social Theory* recounts approvingly what Archer calls “one of Durkheim’s best and most neglected studies *The Evolution of Educational Thought*¹⁴ [that] provides a superb gist of the contradiction in which Christianity was embroiled because of its inescapable interpenetration with classicism.”¹⁵ According to Archer, citing Durkheim, “This, in turn, confronted the Church with ‘a contradiction against which it has fought for centuries without ever achieving a resolution.’”¹⁶

It is, therefore, simply preposterous for Finn to claim that “[o]fficial Catholic teaching reflects this [Archer’s] dual analysis of structure and agency” and to identify it with John Paul II’s “subjectivism.” There is nothing remotely connecting John Paul II’s subjectivism with Margaret Archer’s “dual analysis of structure and agency” in the passage Finn cites.¹⁷ It is equally wrong for Finn to identify social justice as described in Catholic social doctrine with “social causality along the sociological lines [of Archer] described earlier.”¹⁸

It is important to understand the reason for Archer's failure to resolve the contradiction at the root of modern sociology, as well as for the contradictions into which Finn has stumbled by following Weber, Knight, and Archer, rather than scholastic philosophy and economics. The "founders" of modern sociology incorporated a view of human nature derived by Comte from David Hume. This essentially Epicurean view is fundamentally at odds with the one articulated in scholastic philosophy and economics for eight centuries as well as the Catholic social doctrine of the past 120 years. These two views are contrasted in a table in my book.¹⁹ As the table indicates, Aquinas's "map" of human nature and the corresponding disciplines depends on the reality of human virtues, each of which forms the basis of a separate discipline or subdiscipline. By contrast, Comte's view of human nature and human knowledge eliminated all immaterial realities, including God and the human soul, thus replacing the four cardinal human virtues and three theological virtues with numerous irrational emotions. This eliminated the disciplines of metaphysics (including natural theology) and revealed theology among others. These two views of human nature are mutually contradictory. The remedy I have recommended is to build on the updated scholastic philosophy and economics rather than substituting versions of neoclassical economics informed by modern sociology, as Finn attempted to do in *The Moral Ecology of Markets* and in the current controversy over his article, "Nine Libertarian Heresies."

What is to be said meanwhile about the "personalism" advocated by Santelli et al. who seek to identify such personalism with the Austrian branch of neoclassical economics? The error in "methodological individualism," I suggest, lies not as Finn believes in the fact that only individual human persons, not systems, can act, or in acknowledging that to act well, as Aquinas says, those persons must act virtuously. Rather, it arises from forgetting that the essential difference between an *individual* and a *person* is *relation to other persons*. Starting with Adam Smith, the error of "methodological individualism" in economics is expressed by conflating rationality with selfishness. Libertarians tend to collapse all justice to commutative justice, as if all goods were private and only exchanged but never shared. Rational interpersonal relations among human beings are indeed expressed partly by exchanges but more fundamentally by personal gifts (and their opposite, crimes) and by distributive justice in the family, business firm, charitable foundation, and government. All of these elements are required in any economic theory that employs "methodological personalism" as opposed to "methodological individualism" or "methodological collectivism." Thus Finn is certainly right to insist on the importance of distributive justice. However, he erred in describing it. As we have seen, distributive justice is simply the formula

that any community necessarily uses to distribute the use of its common goods. As I noted in my initial reply, Finn's rhetoric tends to collapse all justice to political, distributive justice, as if no goods were private and given as personal gifts or jointly shared in any way except through government, while his technical economic theory contains no transactions except exchanges—exactly like those he has criticized in this controversy.

The most salient fact in the field of economics is the abandonment, starting in 1972 at the University of Chicago, of the previous requirement that degree candidates master the history of economic theory. The most salient fact among Catholic economists is their having followed suit, thus failing to preserve and master scholastic economics. This is exemplified partly by some of those Finn attacked but equally by Finn himself. An article formulated with the lack of precision of "Nine Libertarian Heresies" and argued as untidily as Finn's subsequent response required the external correction that I have tried to provide. This controversy has uncovered much confusion, and may serve as a wake-up call for many, but Finn has not conclusively identified a single heretic, let alone eighteen.

Notes

1. See Anthony J. Santelli, Jeffrey Sikkenga, Robert A. Sirico, Stephen Yates, and Gloria Zúñiga, *The Free Person and the Free Economy: A Personalist View of Market Economics* (Lanham, MD: Lexington, 2002). At the summer institute, we debated (Santelli affirmed while I refuted) the notion that Catholic social doctrine rejects any payment of pure interest as immoral "usury," as well as the sweeping reform, arising from the same misunderstanding, to which Santelli alluded in his response to Finn.
2. Jerome, *Commentary on Galatians*, trans. Andrew Cain, vol. 121, *The Fathers of the Church* (Washington, DC: Catholic University of America Press, 2010).
3. Aristotle, *Nicomachean Ethics*, trans., W. D. Ross (Oxford: Clarendon Press, 1908; Institute for Learning Technologies, 1995), V, 4.
4. Thomas Aquinas, *Summa Theologiae*, II-II, q.61 a.1.
5. *Catholic Catechism*, 5
6. Thomas Aquinas, *Summa Theologiae*, I, q.2 a.2, ad.2.
7. Thomas Aquinas, *On Kingship: To the King of Cyprus*, trans. Gerald B. Phelan, revised with introduction and notes by I. T. Eschmann (1949; repr., Toronto: Pontifical Institute of Medieval Studies, 1982), II, 3; 65.

8. Thomas Aquinas, *Commentary on the Nicomachean Ethics*, trans., C. I. Litzinger (Chicago: Henry Regnery, 1964), introduction, 2.
9. Augustine, *Sermo 267*, 4: PL 38, 1231D; cited in *Catechism of the Catholic Church*, 797, p. 211.
10. As Christendom abandoned this self-concept, J. E. S. Hayward perceptively commented (in an unpublished 1958 dissertation discovered recently by Thomas C. Kohler) that “[t]he vacuum left by the retreat of religion was provisionally occupied by the laic dogma of ‘Solidarity.’” See Thomas C. Kohler, “The Notion of Solidarity and the Secret History of American Labor Law,” Boston College Law School Research Paper no. 92, *Buffalo Law Review* 53, no. 3 (2005): 883–924.
11. John Paul II, Encyclical Letter *Centesimus Annus* (May 15, 1991), 25.
12. Margaret S. Archer, *Realist Social Theory: The Morphogenetic Approach* (Cambridge: Cambridge University Press, 1995).
13. Archer, *Realist Social Theory*, 3, 219.
14. Archer’s footnote: Routledge and Kegan Paul, 1977.
15. Archer, *Realist Social Theory*, 231.
16. Archer, *Realist Social Theory*, 232.
17. Professor Finn’s citation, without quotation, is “Pope John Paul II, Encyclical Letter *Sollicitudo Rei Socialis* (December 30, 1987), 15.” Pope John Paul II’s actual paragraph 15 may be found at http://www.vatican.va/holy_father/john_paul_ii/encyclicals/documents/hf_jp-ii_enc_30121987_sollicitudo-rei-socialis_en.html.
18. Daniel K. Finn, “Nine Libertarian Heresies,” “Heresy #4.”
19. “How Comte Revised Aquinas’s ‘Map’ of the Human Person (and Knowledge),” in John D. Mueller, *Redeeming Economics: Rediscovering the Missing Element* (Wilmington, DE: ISI Books, 2010), table 4-1.