

## CORPORATIONS AND THE COMMON GOOD

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*The corporation is a creature of law—a legal artifice. Nobody . . . has ever seen one.*<sup>1</sup>

### INTRODUCTION

This article examines the question, “What is the corporation and how does it fit within God’s economy?” The term “economy” is composed of two Greek words: *oikos* and *nomos*. Combined together they relate to that study that investigates how a household is ruled or managed. Christian theology uses the term “economy” with reference to God to investigate how God rules, structures, or manages God’s household. This is called the “economy of salvation,” which asks how God creates, sustains, and redeems God’s creation. The question under examination then investigates how one might think of the corporation in terms of God’s creating, sustaining, and redeeming activity. The question asks, in particular, how the corporation serves the ends of human creatures. The term “ends” refers to those purposes for which human creatures exist, which can be natural, such as reproduction; the achievement of everyday goods like food, clothing, housing, transportation, health; or living together in community, whether it be families, neighborhoods, cities, nations, or as members of a global community. But I also mean supernatural

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1. ALAN R. PALMITER & LEWIS D. SOLOMON, *CORPORATIONS: EXAMPLES & EXPLANATIONS* 3 (Aspen Publishers 2d ed. 2003).

ends, especially friendship with God, which is mediated to man through Christ and His Body, the Church. That the corporation should serve natural ends is so obvious it needs no argument. Man could not feed, clothe, or support his natural ends without it. But does the corporation also serve supernatural ends? To answer this question, the relation of natural and supernatural ends needs to be examined. Think for instance of the bread and wine that becomes the body and blood of Christ. Like all goods that serve human ends, bread and wine are produced through human labor. They do not magically appear. Yet these natural goods can also serve supernatural ends once they are set within the context of the Church's holy prayers. But if natural goods serve supernatural ends, then one might expect them to be ruled or managed not only by nature, but also by supernature. This raises the question whether the natural principle of profit maximization is sufficient as a legal foundation for the corporation, or whether something like the supernatural virtues of faith, hope, and charity also must be used to assess the corporation. Christian lawyers, business persons, consumers, laity, clergy, and theologians must assess corporations in terms of how they do or do not orient human persons to both the natural and supernatural virtues.

Whether the corporation serves only some natural ends, or whether it inevitably also serves supernatural ends, will greatly influence what is expected of the corporation in the context of the question, what is the corporation and how does it fit within God's economy? Does it contribute to the common good and the flourishing of the human person consistent with Christian teaching? This article will address these two questions from a perspective of the virtues and vices, but this is no easy task because of the complexity of the question. These questions contain many theological assumptions, which lead to further, more complicated questions. Take the basic question of whether the corporation should promote or prohibit the cultivation of those virtues that orient a person to his or her proper end. Such an expectation will itself be contested.<sup>2</sup> But this

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2. For instance, economists think of the corporation primarily as a neutral vehicle that helps distribute scarce goods. It has no theological or moral value in itself. Moral theologians tend to see corporations as theologically significant. Some, such as Michael Novak, find Christian theology significant in that it adds value to the cultural sphere within which corporations must work. See Michael Novak, *Toward a Theology of the Corporation*, in ON MORAL BUSINESS: CLASSICAL & CONTEMPORARY RESOURCES FOR ETHICS IN ECONOMIC LIFE 775,

controversial question assumes some basic theological knowledge as to what constitutes a person's proper end, which will also be contested.<sup>3</sup> If the corporation should orient man to a proper end, which end is it? Would it be a natural or a supernatural end, and what is the relationship between them?<sup>4</sup> Does the human person have a double finality<sup>5</sup> wherein a natural end exists separate from a supernatural end, or does the human person have a natural orientation to a supernatural end so that only one end, the supernatural end, gives the human person her or his meaning?<sup>6</sup>

If corporations are expected to produce virtues, then what constitutes the human creature's proper end will determine which virtues corporations should produce. If man has a natural end distinct from any supernatural one, then an orientation toward moral virtues such as justice, temperance, prudence, and courage is required. If these two ends are not finally distinct, then a good and faithful corporation should contribute directly or indirectly to the theological virtues of faith, hope, and charity as well.

But the expectation that the corporation orients man to either a moral or theological end will be immediately challenged by some, especially by those in the Christian liberal tradition who make clear demarcations among political, cultural, and economic spheres.<sup>7</sup> They see the corporation as a neutral mechanism that depends upon moral

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784 (Max L. Stackhouse et al. eds., 1995). Others, such as David Schindler, find theology more immediately relevant. Schindler denies the distinction that economics "tells us how to produce and exchange things efficiently, while theology, philosophy, and culture tell us how to *order* or *use* this production and exchange rightly in terms of man's *telos* . . ." David L. Schindler, "Homelessness" and Market Liberalism: Toward an Economic Culture of Gift and Gratitude, in WEALTH, POVERTY, AND HUMAN DESTINY 347, 359 (Doug Bandow & David L. Schindler eds., 2003). Instead, Schindler seeks "to show that the order given in man's *telos* itself partially but decisively shaped what it means to produce, exchange, and possess things efficiently, in the properly economic meaning of these terms." *Id.*

3. Is the proper end of the human person freedom, or is it friendship with God?

4. As we will see below, John Millbank and Romanus Cessario provide different answers to how the natural and supernatural ends relate. See *infra* text accompanying notes 41-55.

5. A double finality sets forth the proposition that the human creature has two distinct ends—one natural and one supernatural. This position is often attributed to Thomas De Vio Cajetan (1469-1534) and was defended in the modern era by Reginald Garrigou-Lagrange. See REGINALD GARRIGOU-LAGRANGE, O.P., BEATITUDE 38-40, 78-80 (Patrick Cummins, O.S.B., trans., B. Herder Book Co. 1956) (1951).

6. This was how the modern theologian Henri de Lubac interpreted Saint Thomas Aquinas against Cajetan's teaching of a double finality. See HENRI DE LUBAC, S.J., THE MYSTERY OF THE SUPERNATURAL 50-55 (Rosemary Sheed trans., Herder & Herder 1967) (1965).

7. See, e.g., Novak, *supra* note 2, at 784.

and cultural values it cannot produce itself, for the corporation is primarily “an investment vehicle for the pooling of money and labor.”<sup>8</sup> I would not ask my automobile to order me to a natural or supernatural end. Why would I expect a vehicle like the corporation to be different from a car? To ask whether the corporation promotes the common good and contributes to human flourishing would be akin to asking whether the automobile does so. It is not the corporation that does this, but the cultural sphere within which the corporation as a neutral vehicle travels. The corporation may have some indirect relation to the common good and human flourishing, but it should not be expected to address concerns for which it was not created.<sup>9</sup> The corporation is a neutral vehicle that produces neither virtue nor vice; it merely reflects the cultural values that sustain it.<sup>10</sup>

This position is unreasonable, for it posits distinct cultural, political, and economic spheres and overlooks how these spheres are always already mixed. The corporation is made possible and sustained by a rigid and highly regulated political and legal system; it is a legal artifice.<sup>11</sup> Moreover, it produces culture, as much as it is produced by it. But that is only to assert a position that still needs argumentation.

Any adequate argument will need to address at least these two sets of questions:

1. For what end does the corporation (a legal person) exist, and how does that end relate to the end for which human persons exist?
2. If we expect the corporation to orient us to an end, should we consider that end natural, and therefore primarily related to moral virtues such as justice, temperance, prudence, and courage? Or, should we expect it to orient us to a supernatural

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8. PALMITER, *supra* note 1, at 3.

9. For instance, Max Stackhouse and Dennis McCann state, “Creating wealth is the whole point of economic activity . . .” Max L. Stackhouse & Dennis P. McCann, *A Postcommunist Manifesto: Public Theology After the Collapse of Socialism*, in ON MORAL BUSINESS, *supra* note 2, at 949, 952.

10. This appears to be Michael Novak’s position and why he can make strong claims for the corporation, even as one possible form of the Body of Christ. See Novak, *supra* note 2, at 775.

11. I take Palmiter’s point to be that the corporation is not a real body in the sense that individuals are bodies. It is made into a legal, individual body as an artifice.

end as well, and therefore to the theological virtues such as faith, hope, and charity?

To the second question there are four possible responses. First, we may expect corporations *explicitly* to assist Christians and all reasonable people towards those virtues that orient us to our natural or supernatural ends, to the moral or theological virtues. Second, we might expect them to do this, but to do it *implicitly* rather than explicitly. Third, our expectations might be somewhat more modest. We expect corporations at most to do no harm, which is to say, we should expect them not to cultivate in us those vices and sins which disorder our lives and keep us from attaining the moral and theological virtues which lead to human flourishing. Finally, perhaps we should have no expectation that the corporation orders us to either a natural or supernatural moral end. It is a neutral mechanism that depends upon cultural or political values it cannot and does not produce.<sup>12</sup>

In other words, as this Section has examined, there exists a variety of possible expectations regarding the ends the corporation should serve within God's economy and the virtues it should cultivate within us. This Section raised two sets of questions and several possible responses, the examination of which forms the basis for this article. The article will return to the four possible responses after examining more fully the nature of the corporate entity and the ends of the human person, in order to determine what human ends the corporation may serve.

#### I. FREEDOM, THE CORPORATION, AND THE INDIVIDUAL

The question of what a corporation's true ends are is not an easy question to answer, but it is important to recognize that definitions alone will not settle any disputes. Simply to state that freedom defines the flourishing of the human person or that maximization of profits defines the corporation, even though both are true, accomplishes very little. This is to work with a faulty pre-Fregean use of language wherein we assume that the meaning of words is found in ostensive definitions, which is to say that each word merely indicates or designates one thing or meaning, and neglect the

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12. This would be the basic view found in most economics textbooks.

important philosophical advance of meaning holism over logical positivism. The latter assumed that the meaning of a word is found when terms are carefully defined and then used consistently such that they either point to something specific (positivism) or always bear a logical tautology. The efforts to give language this kind of precision failed and always will fail. Few reasonable philosophers still hold to the logical positivist hope of a precisely specified meaning through definition. As the important twentieth-century philosopher Ludwig Wittgenstein taught, language cannot be scientific in that sense.<sup>13</sup> Instead, meaning is use.<sup>14</sup> By that he did not mean that language means whatever one wants it to mean, but that meaning is neither primarily nor exclusively found via ostensive definitions. Meaning emerges through the uses to which language is put. Catholic philosophers like Alasdair MacIntyre<sup>15</sup> and Charles Taylor<sup>16</sup> have been pressing this point for some time. MacIntyre calls this narrative intelligibility.<sup>17</sup> Taylor draws on the philosophical tradition of meaning holism, but the principle is the same.<sup>18</sup> Meaning is not secured by a definition, but by use.

#### A. *Theological Perspectives of Freedom*

The Catholic liberal tradition tends to argue via a kind of logical positivism. This tradition defends liberalism in the classic sense that each individual should be as free as possible to enter into exchanges with little to no governmental interference. Those who subscribe to this tradition offer a basic definition of the human person in terms of freedom and then equate that definition with the freedom that neo-liberal economics extols.<sup>19</sup> Therefore, Catholic liberalism always finds a congruence between John Paul II's account of freedom in

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13. See LUDWIG WITTGENSTEIN, PHILOSOPHICAL INVESTIGATIONS § 1 (G.E.M. Anscombe trans., Blackwell Publ'g, 3d ed. 2003) (1953).

14. *Id.* § 43.

15. See ALASDAIR MACINTYRE, AFTER VIRTUE: A STUDY IN MORAL THEORY 204-25 (2d ed. 1984).

16. See CHARLES TAYLOR, PHILOSOPHICAL PAPERS 1: HUMAN AGENCY AND LANGUAGE 215-92 (1985).

17. MACINTYRE, *supra* note 15, at 213.

18. See TAYLOR, *supra* note 16, at 9-12.

19. For a brief description of neo-liberalism, see THE NORTON DICTIONARY OF MODERN THOUGHT 572 (Alan Bullock & Stephen Trombley eds., 3d ed. 1999) (1977).

*Centesimus Annus* and freedom in the liberal, capitalist tradition.<sup>20</sup> But if one recognizes that meaning is use, then one gets a richer account of language that allows for what Taylor calls “strong evaluation.”<sup>21</sup>

Consider the following two telling examples. Doug Bandow and William McGurn both find the modern corporation, set within the context of the free market, consistent with the Christian anthropology set forth by John Paul II in *Centesimus Annus*. Both McGurn and Bandow stand in what McGurn calls “the Christian liberal tradition” (not the liberal Christian tradition).<sup>22</sup> This tradition assumes that the freedom necessary for capitalist exchange is consistent with the freedom that grounds John Paul II’s anthropology. As McGurn puts it, “The pope tells us repeatedly that man’s destiny is freedom.”<sup>23</sup> Because free markets allow human beings to use their spiritual freedom to create wealth, their exchanges are congruent with this Christian anthropology. Bandow also embraces the freedom set forth in a liberal economic order. He writes, “Christians, and the Christian church, can use the broad freedom afforded by a liberal society to encourage the members of that society to embrace the richer, saving freedom of faith.”<sup>24</sup> Or as Richard John Neuhaus, another proponent of the Christian liberal tradition, puts it, “*Centesimus Annus* is about the free society, including economic freedom.”<sup>25</sup> The logical argument in this tradition proceeds as follows: John Paul II gives us the definition of a Christian anthropology as freedom. The *free* market also assumes persons should be free to enter into exchanges. It may not always achieve this end, and sometimes sinful people, as they are wont to do, misuse this freedom for improper ends, but the best congruence between a Christian anthropology defined by freedom and an economic system is by definition a free market.

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20. See Pope John Paul II, *Centesimus Annus* [Encyclical Letter on the Hundredth Anniversary of Rerum Novarum] (St. Paul ed. 1991).

21. TAYLOR, *supra* note 16, at 16.

22. WILLIAM MCGURN, *Creative Virtues of the Economy*, in *IS THE MARKET MORAL?* 129, 140 (2004) [hereinafter MCGURN, *Creative Virtues*].

23. WILLIAM MCGURN, *Markets and Morals*, in *IS THE MARKET MORAL?*, *supra* note 22, at 57, 88 [hereinafter MCGURN, *Markets and Morals*].

24. Doug Bandow, *The Conundrum of Capitalism and Christianity*, in *WEALTH, POVERTY, AND HUMAN DESTINY*, *supra* note 2, at 307, 340-41.

25. Richard John Neuhaus, *The Liberalism of John Paul II*, *FIRST THINGS*, May 1997, at 16, 18.

Finding fault with the logic of this position is difficult except in the very kind of logic that it employs. It assumes the kind of logical positivism noted above. It uses the term “freedom” as an ostensive definition that correlates a thing in the human person with a lack of regulation in economic exchange and equates the two. If instead of this kind of logic one invokes meaning holism, a rather different account of freedom emerges. The term freedom cannot be given its meaning simply by a definition that designates a discrete thing, but must be defined by how it is used. When one examines how freedom is used in the Christian liberal tradition, its meaning takes on a more complex and problematic hue than simple appeals to definitions allow. Note how McGurn’s use of freedom leads to positions difficult to square with Catholic social teaching. For instance, he questions the role of government to legislate against child labor based on the real possibilities afforded an Asian child who works in a garment factory sewing clothes for Wal-Mart.<sup>26</sup> He by no means defends child labor, but he wants to make his American audience aware of the market realities this child faces. He writes, “An Asian audience would immediately recognize that the real alternative for that Bangladeshi girl would not be trundling off to class but scavenging through garbage heaps or prostituting herself.”<sup>27</sup> And he concludes:

To our sensibilities, this is not an attractive trade-off. But in real life poor people typically do not have the choices we wish them to have, and the market sometimes brings better choices even when that is not its intention. While it might soothe Western consciences to “eliminate” child labor through regulations, in reality we may—if successful—be forcing children into something worse.<sup>28</sup>

In other words, the unintended consequences of government regulations against child labor will be worse than the unregulated free market realities that give an Asian child a choice between prostitution and child labor. By legislating against child labor, we unintentionally send a child into prostitution. The conclusion seems to be that we should not regulate against such practices, but let the unregulated free market provide options for children who do not have them.

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26. MCGURN, *Creative Virtues*, *supra* note 22, at 131-32.

27. *Id.* at 131.

28. *Id.* at 132.

If one considers freedom, not in terms of simple definitions, but within the holistic web of meaning within which the term functions, then the option of child labor, instead of prostitution, does not stand in any serious contradiction to the freedom McGurn finds consistent with John Paul II's teaching. But how can this be? How does this square with the idea expressed in *Veritatis Splendor*, where John Paul draws on *Gaudium et Spes* to set forth "intrinsic evils?" The Pope explained:

Reason attests that there are objects of the human act which are by their nature "incapable of being ordered" to God, because they radically contradict the good of the person made in his image. These are the acts which, in the Church's moral tradition, have been termed "intrinsically evil" (*intrinsece malum*): they are such *always and per se*, in other words, on account of their very object, and quite apart from the ulterior intentions of the one acting and the circumstances. . . . The Second Vatican Council itself, in discussing the respect due to the human person, gives a number of examples of such acts: "Whatever is hostile to life itself, such as any kind of homicide, genocide, abortion, euthanasia and voluntary suicide; whatever violates the integrity of the human person, such as mutilation, physical and mental torture and attempts to coerce the spirit; whatever is offensive to human dignity, such as subhuman living conditions, arbitrary imprisonment, deportation, slavery, prostitution and trafficking in women and children; degrading conditions of work which treat laborers as mere instruments of profit, and not as free responsible persons: all these and the like are a disgrace, and so long as they infect human civilization they contaminate those who inflict them more than those who suffer injustice, and they are a negation of the honor due the Creator."<sup>29</sup>

Note how different the use of freedom is in *Veritatis Splendor* and *Gaudium et Spes* in comparison to its use in the Christian liberal tradition with its consequentialist logic. Is there really a moral distinction between child labor and prostitution, both of which are intrinsic evils, such that an unregulated market is preferred because it at least allows a child the freedom to choose between them? This

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29. Pope John Paul II, *Veritatis Splendor* [*Encyclical Letter Regarding Certain Fundamental Questions of the Church's Moral Teaching*] ¶ 80 (St. Paul ed. 1993) (quoting Second Vatican Council, *Gaudium et Spes* [*Pastoral Constitution on the Church in the Modern World*] ¶ 27 (1965), reprinted in THE SIXTEEN DOCUMENTS OF VATICAN II 513, 539 (Nat'l Catholic Welfare Conference trans., St. Paul ed. 1967)).

raises the question of whether the Christian liberal tradition can avoid utilitarian arguments.

Consider a second example. I once tried to find a case study I thought those of us in the anti-liberal Christian tradition could use to make common cause with those in the liberal Christian tradition. A shrimp and lobster factory was part of a global fast food corporation. It took the food from the waters off the coast of Honduras and prepared it with Honduran labor. The employees were paid wages such that they could not afford to buy the very food that they produced. That food, of course, could be shipped to landlocked people to be consumed at fast food restaurants as entertainment. I assumed, based on the teaching in *Veritatis Splendor* quoted above, that this was an example of an intrinsically evil action. I wrote:

[T]he very men and women that risked securing and processing this food, the men and women whose hands were the conditions for making lobster and shrimp available as consumable food items for others, were then excluded from consuming the produce they made available.

This was (and is) clearly an unjust situation. No theologian (I hope) would intentionally defend these kinds of exploitative practices . . . .<sup>30</sup>

I was surprised, then, when Bandow disagreed that this was an intrinsically unjust situation and suggested, “that situation could have resulted from entrepreneurial insight and the honest investment of money fairly earned, resulting in the creation of a company that pays market wages as promised and benefits that may well exceed any comparable ones in the community, region, or even nation.”<sup>31</sup> When in Catholic social teaching did market wages alone demonstrate the justice of economic exchange? When the Christian liberal tradition defines freedom, we must remember that these kinds of practices determine the context that gives that term its intelligibility.

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30. D. Stephen Long, *Catholic Social Teaching and the Global Market*, in WEALTH, POVERTY, AND HUMAN DESTINY, *supra* note 2, at 77, 82.

31. Bandow, *supra* note 24, at 333.

B. *Distinguishing the Freedom of Human Persons from That of the Corporation*

The easy congruence between the freedom of the human person and that of corporations within the free market society overlooks the great diversity among corporations in the various ends they serve as well as the common legal structure within which they are all created. Simple definitions of terms such as freedom, the corporation, capitalism, and the free market are abstractions that have limited usefulness. No such singular entities exist; they are “platonic” ideals—in the bad sense philosophers often critique. The corporation is an idealized essence that has no existence outside the virtual legal space in which it is produced. Thus the corporation cannot be defined as if it were a single entity and then fit within God’s good economy. The significance of particular corporations is indicated by the larger narratives that give them their meaning. For example, the Maytag Corporation, which for the sake of truth and integrity honored a faulty advertisement for free airfare with every purchase,<sup>32</sup> should not be granted the same status as Arthur Andersen, which used its ethics department to bilk its clients.<sup>33</sup> Corporations, like people, may share an essence, but they exist in different shapes and sizes, especially when making moral decisions.

The corporation does have a basic definition and purpose, which is established by law. This does make the fictive legal person of the corporation significantly different from that of the human person in the liberal tradition; for by its insistence on the priority of the right over the good it eschews particular ends for the acting person. Each person must be an individual who chooses his or her own end. The case of the corporate person is a bit more complex. On the one hand, it too must be an individual that supposedly chooses its own end outside of political or theological regulations. On the other hand, the fictive individual of the corporation has a set end that is legally enforceable. As previously noted, the basic definition of a corporation is “an investment vehicle for the pooling of money and labor” whose purpose is singular—to maximize profits.<sup>34</sup> This should be an uncontested definition of the corporation’s end, but it does not yet

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32. Rod Taylor, *A Bloody Dust-Up*, PROMO, Oct. 1, 2005, at 74, 74.

33. See generally BARBARA LEY TOFFLER, *FINAL ACCOUNTING: AMBITION, GREED, AND THE FALL OF ARTHUR ANDERSEN* (2003).

34. PALMITER, *supra* note 1, at 3.

settle any controversy among Christians who find the modern liberal business corporation respectively antithetical or amenable to a Christian anthropology.

That corporations exist to maximize profits is not in itself offensive to Christian teaching if that maximization of profits does not conflict with the virtues. Both Maytag and Arthur Andersen sought to maximize profits. One thought this was best achieved through virtuous means, the other through vicious ones. Both made decisions primarily based on economic consequences. Maytag was not honoring the one practical consequence of Kant's categorical imperative when it honorably chose never to tell a lie;<sup>35</sup> its decision was based on maintaining the trust of the consumer. Arthur Andersen's inability to tell the truth did have negative consequences for its corporate viability. But, and this is the key, neither corporation's actions can be assessed on moral grounds other than profit maximization. This is the end corporations serve. It is the reason investors enter into exchanges with them. Like the modern individual, the corporation has rights without duties, for it has no direct relationship to a common good except profit maximization. This is a descriptive claim given the legal context within which corporations operate, which creates the central problem in any discussion of the corporation and the human person. The corporation has the legal status of a fictive individual, along with many of the rights individuals possess in modern political society. The corporation, however, is not assumed to have the same moral obligations persons do, especially as those obligations are defined by the Church. This greatly distances the modern corporation from the Medieval *societas*, which was assumed to have a different kind of moral agency from the modern corporation. The modern corporation is a legal construct based on the ideal situation of the autonomous individual whose freedom is secured through right. The *societas* was assumed to work within the context of the virtues; it is why Aquinas discussed it within that context. The modern corporation is never discussed within the context of the virtues; it is discussed solely in terms of law.

Corporations have two basic kinds of relationships. They have internal relations based on a rather fixed and standard structure and

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35. See IMMANUEL KANT, *FUNDAMENTAL PRINCIPLES OF THE METAPHYSICS OF ETHICS* 4 (Thomas Kingsmill Abbott trans., Longmans, Green & Co. 10th ed. 1962) (1785).

external relations to all the constituencies that make them possible, but do not directly operate their internal affairs. As Robert Palmiter explains it, "'Outside' relationships with creditors, suppliers, customers, employees, and government authorities usually are subject to legal norms that treat the corporation as a person—such as the laws of contract, debtor-creditor, antitrust, labor, and tax."<sup>36</sup> The assumption that the corporation is free to pursue interests outside of legal regulation is one of the great misunderstanding set forth by contemporary critics of the free market. As persons, corporations in the late modern era are as over-regulated and regimented as any other individual. Corporations do not embody a hedonistic and permissive form of liberty that amounts to a freedom from specific ends; to assume otherwise places the problem with late-modern corporations at the wrong place. As Slavoj Žižek argues, this is a worn-out cliché that avoids the obvious: "It is today's apparently hedonistic and permissive postmodern reflexive society which is paradoxically more and more saturated by rules and regulations that allegedly promote our well-being . . ."<sup>37</sup> This is as true with the corporation as fictive individual as it is with other individuals.

The theological reservation we must have with the modern corporation is not that it is unregulated, but that it is regulated to pursue *only* its single end of profit maximization. Lawrence Mitchell names well this "fundamental flaw."<sup>38</sup> The modern corporation depends on, and perpetuates, an eighteenth-century liberal ideal of autonomy, individualism, and unencumbered choice. The corporation is treated in law and culture as an individual whose main moral obligation is to maximize profit for stockholders in the short term. But as a fictive individual, it bears no moral responsibility for its protected rights.<sup>39</sup>

If we assume that the difficulty with corporations is their freedom from specific *teloi*,<sup>40</sup> then we might be tempted to suggest that the solution to this difficulty is more and stronger regulation. But this

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36. PALMITER, *supra* note 1, at 5.

37. SLAVOJ ŽIŽEK, THE FRAGILE ABSOLUTE—OR, WHY IS THE CHRISTIAN LEGACY WORTH FIGHTING FOR? 132 (2000).

38. See LAWRENCE E. MITCHELL, CORPORATE IRRESPONSIBILITY: AMERICA'S NEWEST EXPORT 19 (2001).

39. *Id.* at 43.

40. *Teloi* is the plural form of the Greek term *telos*, meaning end. For a brief description of the meaning of *telos* in scholastic philosophy, see THE CAMBRIDGE DICTIONARY OF PHILOSOPHY 906-07 (Robert Audi ed., 2d ed. 1999).

overlooks one crucial question—to what end? It could be that a central difficulty with the modern corporation is not its freedom from ends, but that it embodies the illusion of the modern individual, which is to say that by falsely assuming it has overcome a teleological ordering, it has forgotten the end it serves and thus fails to present that end for public accountability.

The corporation is a fictive individual, which, in law, is modeled on the understanding of the individual in the Enlightenment. This is an individual who is born without a past, who is not born into a tradition, but who is free and unencumbered and whose identity is fundamentally to choose based on profit maximization. Such an anthropology contradicts the end to which Christianity orients the human person.

## II. TRUE ENDS AND DOUBLE FINALITY

To this point we have only established that modern corporations are fictive individuals enacted by law through state legal systems for the specific purpose of maximizing profit by pooling resources. This does not reveal much; it only sets the context within which one must discern significant differences among corporations. Does this permit or prohibit created nature to achieve its end? An answer to that question depends on what one assumes the end of created nature to be. Here is where theological debates over the human creatures' proper end could be of immense help in thinking about the first questions: for what end does the corporation (a legal person) exist, and how does that end relate to the end for which human persons exist?

If there is a single end to human creatures based on a natural vision in light of God's will, then the corporation—as a natural institution—will need to be understood and assessed in terms of the supernatural order. It does not inhabit some neutral, secular space where such assessment would be improper and only applicable to the culture in which the corporation, as a neutral mechanism, functions. Corporations should have a proper independence from the Church, but they should bear some responsibility to the Church's teachings. The very fact that a rich tradition of Catholic social teaching from *Rerum Novarum* to *Centesimus Annus* boldly speaks to all the participants in market exchanges as if they should listen, suggests that a rigid double finality cannot make sense of the Spirit's leading of the

Magisterium. The Church has something to teach everyone engaged in everyday economic exchanges. The tacit anthropological background that renders these teachings intelligible would look something like de Lubac's reading of Aquinas wherein the Church, that institution entrusted with Divine teaching, illumines, perfects, and corrects natural reason.<sup>41</sup> The human creature has a single vocation, which has a supernatural orientation. The Church's tradition of speaking to the corporate world assumes a role for our supernatural orientation. This does not turn the corporation into the Church, but suggests that it cannot be understood and assessed solely on the basis of natural ends. No secular *space* independent from God's purposes exists.

If we adopt a neo-scholastic doctrine of a double finality, where the human creature has both a natural and a supernatural end, theologians' expectations for the corporation will fundamentally differ from those which assume a single end—more independence will be conceded to certain natural institutions that could then be understood through reason alone. Of course, this still raises the question, "Which reason?" Which account of economic reasoning should be conceded as natural: neoliberalism, with its marginalist rationality and call for free markets as is found in the Christian liberal tradition; Keynesianism, with its insistence on government intervention; or Marxism, with its call for a revolutionary form of exchange as found among liberation theologians? Are Adam Smith's three principles of competitive markets the basis for a natural economic rationality: act only on self-interest, provide full information to all participants, and let them participate without any coercion?<sup>42</sup> Or should we think more in terms of Keynes's multiplier effect, which assumes government must step in and provide injections of capital from outside the free operation of markets?<sup>43</sup> Or should one adopt the Ricardo-Marx labor theory of value?<sup>44</sup> And of course many other positions on economic rationality exist, but no universally

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41. See HENRI DE LUBAC, S.J., *THE SPLENDOR OF THE CHURCH* 25 (Michael Mason trans., Sheed & Ward 1956) (1953).

42. See generally ADAM SMITH, *AN INQUIRY INTO THE NATURE AND CAUSES OF THE WEALTH OF NATIONS* (Regnery Publishing, Inc. 1998) (1776).

43. See JOHN MAYNARD KEYNES, *THE GENERAL THEORY OF EMPLOYMENT INTEREST AND MONEY* (1936), reprinted in 7 *THE COLLECTED WRITINGS OF JOHN MAYNARD KEYNES* 113-31 (Macmillan ed. 1973) (1936).

44. See DAVID RICARDO, *ON THE PRINCIPLES OF POLITICAL ECONOMY AND TAXATION* (1817), reprinted in 1 *THE WORKS AND CORRESPONDENCE OF DAVID RICARDO* 11 (Piero Sraffa ed., 1951).

accepted form yet prevails. Theologians can be found who claim that each of these positions is the one that reason best establishes. Can any of them claim that his position is the natural economic rationality?

If one accepts the neo-scholastic principle of a double finality, it still does not settle the issue as to what would constitute a natural understanding of the role of the corporation based on reason alone. It will still need to be argued for, but for what would it be arguing? Is there a singular, natural economic rationality waiting to be discovered? The mere presence of a multitude of natural, economic rationalities by no means denies the possibility of a metaphysically realist position whereby we might some day discover the true and uncontested natural economic reason, but one would be hard-pressed to argue that we possess it today. Nor would most reasonable persons think that such a form of rationality exists, given the kind of practical reason economics as a science must entail.

How we understand the common good and human flourishing will differ (perhaps not decisively) based on our response to these two influential theological positions: first, that the human creature has a singular supernatural end characterized by a natural desire for the vision of God, and second, that the human creature has a two-fold end—one natural and fully knowable by reason alone, the other supernatural and known only by faith. Both of these positions are versions of the important Thomistic theme that “grace perfects nature.”<sup>45</sup> However, the force of the “perfect” differs between them. In the first, “perfects” suggests “illumines” as well as “completes.” That is to say, nature is not a self-evident category to which grace is an addition; what constitutes human nature remains somewhat mysterious, such that Jesus reveals not only what it means to be God, but also creature. Thus, the accomplishments of reason alone will have greater limitations than if we adopt the second position. The first position assumes that we know nature without any divine supplement, for if we did not know it, how could we know that God has visited and assumed our nature?

The first position can also be seen in John Milbank’s insistence that the natural needs to be supernaturalized.<sup>46</sup> It leads to a

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45. See THOMAS AQUINAS, *SUMMA THEOLOGICA*, Part I-I, Question 62, Article 5 (Fathers of the English Dominican Province trans., Christian Classics 1981) (1911) [hereinafter *SUMMA THEOLOGICA*].

46. JOHN MILBANK, *THEOLOGY AND SOCIAL THEORY: BEYOND SECULAR REASON* 206 (2d ed. 1993).

dissatisfaction with the modern corporation, and the conclusion that it must be socialized from within in order for it to be oriented toward the one true end of all creation, which is friendship with God. The second position can be seen in Romanus Cessario's explanation of Aquinas's philosophy as requiring that we must have a metaphysically realist understanding of created nature, reliably knowable by reason alone, if we are to understand the divine mystery.<sup>47</sup> Thus he states, "The very doctrine of the incarnation implies a twofold order of being, truth, and knowledge: that of created nature (assumed by the Word) and that of the uncreated God and his grace."<sup>48</sup> But what is the relationship between created nature and supernature, reason and faith? Cessario states, "[T]he order of nature is distinct from and has no claim upon the supernatural."<sup>49</sup> This is unobjectionable. Created nature has no claims on God. Grace is not owed to creatures. But what claim does the supernatural have on the natural? In other words, is nature transparent to reason alone? Or does it best come into view through the hypostatic union? The deeper question de Lubac addressed is whether nature has its own end independent from supernature that can be known outside the gift of grace.

How different are the two positions represented by Milbank and Cessario? If we assume the *duplex ordo* as distinct orders, then this will support the claim that the ends the corporation serves are consistent with reason alone. The corporation is not expected to attend to Holy Scripture or the teaching of Christian tradition. Although these provide important considerations for the culture within which corporations function, those primarily working within corporations should not be bound by them. They should listen more to economists than theologians. McGurn would have lower expectations for the role of the corporation; it should function within a natural moral reason that can be known apart from faith.<sup>50</sup> There is fairly reliable information as to what this natural moral reason is, and based on this reliable information the modern corporation, while

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47. See ROMANUS CESSARIO, O.P., *A SHORT HISTORY OF THOMISM* 21-26 (Catholic Univ. of Am. Press 2005).

48. Romanus Cessario, O.P., *Duplex Ordo Cognitionis*, in *REASON AND THE REASONS OF FAITH* 327, 332 (Paul J. Griffiths & Reinhard Hütter eds., 2005).

49. *Id.*

50. See, e.g., WILLIAM MCGURN, *Markets and Morals*, *supra* note 23, at 68-70.

never a salvific institution, can easily be made consistent with Christian teaching.

If the human person is defined by her or his supernatural end, then there will be higher expectations for the role of corporations within the divine economy. They are not understood as neutral vehicles, but theologically significant. Thus they must at least do no harm, and at best, they should be ordered by a theological rationality—implicit or explicit. This should not lead to the conclusion that economic or business rationality must always explicitly serve the ends of faith. No one should expect members of a corporation to begin their day by reciting the Nicene Creed; this is not the point. Anyone who makes such a claim would be hard-pressed to live it consistently in everyday life. It is doubtful that Christians inspect the confessional stances of those with whom they engage in trade any more than they desire that the airline pilot has a proper Christology when they board an airplane. The point is not to turn the corporation into a confessional institution; it is to recognize that for the baptized, their work in the corporation must be able to be offered to God's glory. No neutral secular space exists outside the vocation to offer labor as such a gift. At the minimum, this requires that labor not be allowed to produce vices. At a maximum, one should not be surprised if opportunities arise to receive gifts of faith, hope, and charity through labor.

The relationship between the corporation and natural or supernatural ends is similar to the relationship between faith and reason. Reinhard Hütter and Paul Griffiths offer a temperate account of this relation when they note that some things are knowable by faith, some by reason, and some by both.<sup>51</sup> They offer three important conclusions with regard to this relationship that can help illumine how Christians should think about the corporation. First, "faith will never become the only kind of reasoning that Christians use or need."<sup>52</sup> Theologians must not think that they alone bear the burden of constructing through divine teaching a global economic system. Other kinds of reasoning will always be necessary in everyday business exchange. This may be something as simple as a more efficient way to hang sheetrock by an individual contractor or

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51. Paul J. Griffiths & Reinhard Hütter, *Introduction* to REASON AND THE REASONS OF FAITH, *supra* note 48, at 1, 10.

52. *Id.* at 12.

thinking through the significance of the devaluation of the Chinese yuan on interest rates in the U.S. housing market. Second, “deliverances of faith have, for Christians, certitude; they are irrefragably correct.”<sup>53</sup> Those places where there are clear teachings on economic matters in Scripture and tradition are not to be ignored. Consequentialist reasoning cannot order something properly that is intrinsically disordered. Third, “once the disposition for faith becomes active, it transfigures and reframes every other form of reasoning.”<sup>54</sup> Although Christians should not expect explicit divine teachings on the most efficient way to hang sheetrock or consider currency devaluation, faith cannot be absent even from such natural forms of reasoning. Directly or indirectly, faith as a form of reasoning matters in everyday life. No one should mark out a neutral territory and suggest it is off-limits to faith, even if we cannot always see how faith is relevant. We must seek to discern the relevance of faith in all things.

That is not to say that every economist, business executive, worker, or consumer must explicitly confess Christ for his or her work to fit within God’s economy. Theologians no more assume such a reality than does any person who buys products at reasonable prices. Our everyday exchanges do not require explicit confessions of Christian faith, nor should they. Nevertheless, if we confess that all things are created in, through, and for Christ, then the significance of Christology or the Trinity for economic reflections should be appropriate.<sup>55</sup> Simply because theologians assess economic exchanges based on the richness of Christian doctrine, does not indicate that they are then seeking to generate an entire economic system from Christian confessions. But we must try to show what difference the fullness of Christian teaching makes for economic exchanges.

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53. *Id.*

54. *Id.* at 13.

55. For instance, Kathryn Tanner suggests that an emphasis on a “theological economy” that focuses on Christian doctrine is a temptation that “would leave the world to its devices, such an economy might appear in that case to be thrown entirely on its own resources to generate, apart from the workings of the present system, a viable economic alternative.” KATHRYN TANNER, *ECONOMY OF GRACE* 88 (2005) (footnote omitted). I find this somewhat ironic when Tanner argues that “human relations . . . should be marked by unconditional giving—that is, giving that is not obligated by the prior performance of the recipients and that is not conditional upon a return being made by them.” *Id.* at 63. What could be more utopian than such a view of economic exchange?

After reviewing various relationships between the natural and supernatural ends as Christian theology has presented them, this Section sought to present a reasonable account of faith, which could best be called “faith seeking understanding.” Having set forth this reasonable account, we can now turn to the second question presented earlier.

### III. VIRTUE

To restate the second question: if the corporation orients man to an end, should that end be natural, and therefore primarily related to moral virtues such as justice, temperance, prudence, and courage; or, should it orient man to a supernatural end as well, and therefore to theological virtues such as faith, hope, and charity?

Related to this question are four possible responses. First, one may expect corporations *explicitly* to assist Christians and all reasonable people in those virtues that orient persons to their natural or supernatural ends, to the moral or theological virtues. Second, corporations may do this implicitly rather than explicitly. Third, one’s expectations might be somewhat more modest—expecting corporations, at most, to do no harm; corporations should not cultivate in persons vices and sins that disorder lives and keep people from attaining the moral and theological virtues that lead to human flourishing. Finally, perhaps one should have no expectation that the corporation orders persons to either a natural or supernatural moral end; it is a neutral mechanism that depends upon cultural or political values it cannot and does not produce.<sup>56</sup>

This Section will draw on one of the most influential moral theologians in Catholic tradition, Saint Thomas Aquinas, in order to argue that the connection he made between the virtues and forms of economic exchange could be helpful in assessing how the corporation fits within God’s economy. Because virtues direct human persons to their proper ends, understanding the proper end of business exchanges within the corporation requires an adequate knowledge of the virtues such exchanges should honor and the vices they should avoid. This must produce a significant disagreement between a theological understanding of the corporation and modern corporate law; for the latter cannot take these virtues into account, but can only

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56. PALMITER, *supra* note 1, at 3.

set forth the end of profit maximization. This has the sanction of American law; for in a classic court case, *Dodge v. Ford Motor Co.*,<sup>57</sup> the Michigan Supreme Court found against Henry Ford's policy of slashing prices on his cars, which he intended to do on the grounds that his company "has made too much money, has had too large profits; . . . a sharing of them with the public, by reducing the price of the output of the company, ought to be undertaken."<sup>58</sup> Based on the claim held by stockholders that this threatened their profit maximization, the court ruled against Ford on the basis that he operated the company as a "semi-eleemosynary institution and not as a business institution."<sup>59</sup> This is a foundational ruling that sets the ends corporations serve. Profit maximization, and never eleemosynary activities, sets the context for any fiduciary duties corporate executives must pursue on the basis of the trust given to them. This, of course, is consistent with Adam Smith's famous quote from the *Wealth of Nations*:

It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.<sup>60</sup>

The first part of Smith's essay should be uncontroversial. I do hope that businesses that serve me in my community make a sufficient profit that they and those they employ remain in business and receive a solid, temperate living. It is the second part of Smith's famous quote that should alarm people of faith. Should I not also expect these local businesses to address the necessities of our neighborhoods? If this is impermissible, then we are far from the sense of moral agency in which Aquinas set forth the *societas*.

For Aquinas, profit from a legitimate *societas* was not sinful, but neither was the practice of economic exchange ever neutral. This is why he always discussed it within the context of the virtues and

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57. 170 N.W. 668 (Mich. 1919).

58. *Id.* at 683-84.

59. *Id.* at 683. The Dodge brothers brought this suit against Ford because they needed the dividends he withheld to finance their own business enterprise. See WILLIAM A. KLEIN ET AL., BUSINESS ASSOCIATIONS: AGENCY, PARTNERSHIPS, AND CORPORATIONS 277 (5th ed. 2003).

60. SMITH, *supra* note 42, at 14.

vices.<sup>61</sup> In particular, economic exchanges are discussed within the context of sins against justice. Thus the virtue of justice must be established first before one can speak well of the corporation's role in God's economy. Justice as a virtue is far from justice in procedural liberalism where, as Bandow suggested, what matters most is "honest investment of money fairly earned, resulting in the creation of a company that pays market wages as promised."<sup>62</sup> That is a description of justice as proper procedure. But justice as a virtue concerns a "habit whereby a man renders to each one his due by a constant and perpetual will" that will render the one who exercises it good.<sup>63</sup> This latter qualification suggests that justice assumes not only proper procedure, but an orientation toward the good. This cannot be accomplished if our only orientation is maximization of shareholder profit.

These kinds of concerns demonstrate that the corporation cannot be considered as a neutral vehicle independent from moral and theological considerations. It is theologically significant. But should it be expected to produce virtue explicitly or implicitly, or only avoid vice? The answer is that daily labor should produce virtuous habits that orient persons toward the good. Work consumes too much time for one to think that virtuous habits are only cultivated in some separate cultural sphere and then brought to the corporation. If the corporation is rightly ordered, it will be a place where the habit of justice is developed, and, since charity is finally the form of all the virtues,<sup>64</sup> we should not consider it improper to speak of humanity's necessities. At the least, the corporation should not produce vice.

Economic exchanges tempt one to greed. Is the modern corporation exempt from this? Does it cause more temptation than the earlier forms of exchange? McGurn, like most of the Christian liberal tradition, has little time for the Medieval tradition of economic analysis. He writes: "Today we chuckle over the scholastics of the Middle Ages, who never could overcome their problem with interest."<sup>65</sup> He also argues that modern markets do not produce the capital sin of greed. In fact, he accuses those who do not recognize

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61. See SUMMA THEOLOGICA, *supra* note 45, Part II-II, Question 78, Article 2.

62. Bandow, *supra* note 24, at 333.

63. SUMMA THEOLOGICA, *supra* note 45, Part II-II, Question 58, Article 1 (emphasis omitted).

64. *Id.* Part II-II, Question 23, Article 8.

65. MCGURN, *Markets and Morals*, *supra* note 23, at 74.

the spirituality at the basis of capitalism of committing the capital sin of pride for refusing to see how these modern economic practices produce the virtue of solidarity.<sup>66</sup> Is this adequate? Does the fiduciary duty of shareholder profit maximization orient one toward the capital vice of greed? If the minimum expectation is that the corporation should not produce vice, then this vice must be examined. It is the reason scholastic theologians like Aquinas were concerned with usury.

Aquinas's treatment of usury in his *De Malo* explains how virtues and vices render the usury prohibition intelligible. He does not directly offer a social or political theology, but explains how to avoid evil and pursue good, which for Aquinas, like Aristotle, was the fundamental political question. This question thus requires social and political theology that understands what the good is and how evil is to be avoided. The seven capital vices are the fount from which all other vices flow.<sup>67</sup> Note the language used for them; they are capital. This is because, like capital, they appear to increase without recognizing any proper limits. All the capital vices are parodies of proper human desires because they assume an infinite expansion of finite goods. Recognizing how capital vices function is necessary to understand why Aquinas opposes usury. In fact, his argument against usury does not come until Question Thirteen of the *De Malo*, after he first develops his doctrine of evil. But evil alone cannot explain the usury prohibition, and this is an essential theological point found in the *De Malo*. Good, not evil, defines the created order. Therefore if anyone says he can find good in usury, Aquinas would not object; he says as much himself. It is part of his larger ontological claim: "Evil cannot exist except in good."<sup>68</sup> Radical evil, the kind of evil Kant made famous,<sup>69</sup> does not exist for Aquinas.<sup>70</sup> For this reason,

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66. *Id.* at 72.

67. See SUMMA THEOLOGICA, *supra* note 45, Part I-II, Question 84, Article 4.

68. THOMAS AQUINAS, ON EVIL, Question 1, Article 2 (Jean Oesterle trans., Univ. of Notre Dame Press 1995) (n.d.) [hereinafter ON EVIL].

69. REX PATRICK STEVENS, KANT ON MORAL PRACTICE: A STUDY OF MORAL SUCCESS AND FAILURE 4 (1981).

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Just as the color white is spoken of in two ways, so also is evil. For in one way when white is said, it can refer to that which is the subject of whiteness; in another way to the whiteness itself, namely, the accident or quality itself. And likewise when evil is said, it can refer to that which is the subject of evil, and this is something; in

a certain taxonomy of virtues and vices first must be recognized before Aquinas's prohibition of usury makes sense. First come the virtues of charity, justice, and liberality. Then comes the lack of these three virtues in the capital vice of avarice. But this lack manifests itself in different degrees so that avarice as a defect of liberality is not a mortal sin, but avarice as a defect of charity or justice is.

Four articles make up Question Thirteen of *De Malo*. The first question is "whether avarice is a special vice" (that is, does it have a specific subject matter or only a generic one).<sup>71</sup> The second is whether it is a mortal sin, followed by the question whether it is a "capital vice."<sup>72</sup> Only after establishing this context does Aquinas address the fourth question, "Whether lending at usury is a mortal sin?"<sup>73</sup>

Aquinas argues that avarice is a special sin and a general sin. He writes,

[B]ecause of a certain likeness this name [avarice] has been extended to signify an inordinate cupidity or desire of any goods whatsoever. And in this sense avarice is a general sin because in every sin there is a turning to some transitory good with inordinate desire; and therefore Augustine says that there is a general avarice by which a person desires anything more than he ought, and there is a special avarice which more commonly is called love of money.<sup>74</sup>

The specific threat of an inordinate desire for money and the generic inordinate cupidity "of any goods whatsoever" mutually reinforce each other. Avarice, then, designates both one specific thing—an inordinate love of money—and more than one thing. In fact, it can designate an improper desire for all created goods. It is not merely a disposition, but more a corrupt practice of the use of money that unnaturally increases it through an acquisitiveness that turns all finite goods into the source of an infinite desire.

Avarice, then, does not oppose a single virtue. It opposes the virtues of charity, justice, and liberality. It opposes liberality when it

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another way, it can refer to the evil itself, and this is not something but is the privation of some particular good.

ON EVIL, *supra* note 68, Question 1, Article 1.

71. *Id.* Question 13, Article 1.

72. *Id.* Question 13, Articles 2-3.

73. *Id.* Question 13, Article 4.

74. *Id.* Question 13, Article 1 (footnote omitted).

“signifies a certain defect in regard to the dispensing of wealth and a certain excess in regard to its acquisition and retention because of an excessive love of money.”<sup>75</sup> Here some refuse to give when justice does not necessarily demand it. This is not a mortal sin. One opposes justice when, as Aristotle taught, one “takes or keeps another’s goods contrary to the debt of justice.”<sup>76</sup> This is a mortal sin. And it opposes charity because it finds happiness in the mere increase of a created good rather than in the uncreated good which God is. Aquinas sums this up, “Avarice is opposed to justice and to liberality according to the diverse senses or interpretations of avarice, but it is opposed to charity as is every mortal sin, inasmuch as it constitutes a created good as its end.”<sup>77</sup>

Avarice, and its vicious practice in usury, is therefore a complex reality. It has degrees of evil, which, as Aquinas already noted, will always be related to good. Failure to understand this results in confusion as to the casuistic nature of medieval moral theology. It is not an inevitable accommodation to market realities, but a prudent analysis of the levels of virtue and vice and how they direct us to God. If one does not have an account of these virtues and vices, the usury prohibition appears as a silly legalism. Central to these virtues and vices is the *telos* of happiness. Human lives make sense in terms of their true end in friendship with God. The seven capital sins are so dangerous because they trade on that very end. Aquinas explains the capital sins this way: “Therefore those vices are called capital which have ends principally desirable in themselves in such a way that other vices are ordered to these ends.”<sup>78</sup> Capital vices are like usurious exchanges. Both become ends in themselves to which other aspects of life are ordered. They function as a false happiness because they produce infinite desire for finite goods.

Aquinas explicitly names avarice as a capital vice because it is ordered to a false happiness.

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75. *Id.*

76. See ON EVIL, *supra* note 68, Question 13, Article 1 (discussing ARISTOTLE, *The Nicomachean Ethics*, Bk. V, ch. 1 (William David Ross trans.), in 2 THE COMPLETE WORKS OF ARISTOTLE 1729, 1737 (Jonathan Barnes ed., Princeton Univ. Press 1984) [hereinafter Aristotle, *Nicomachean Ethics*]).

77. ON EVIL, *supra* note 68, Question 13, Article 1.

78. *Id.* Question 8, Article 1.

Avarice ought to be counted among the capital vices. The reason for this is that, as was said previously[,] . . . a vice is called capital that has a principal end to which many other vices are naturally ordered, and thus by way of final causality many other vices have their origin from such a vice. But the end or goal of the whole of human life is happiness which all men desire; hence inasmuch as in human affairs something participates really or apparently in any condition of happiness, happiness has a certain pre-eminence in the genus of ends.

But there are three conditions of happiness according to the Philosopher in Book I of the *Ethics*, namely, that it be a perfect good and sufficient of itself (*per se*) and accompanied by pleasure. Now a thing seems to be perfect inasmuch as it has a certain excellence, and therefore excellence seems to be something principally desirable, and in accord with this, pride or vainglory is designated as a capital vice; and in sensed things the most intense pleasure has to do with the sense of touch in food or sex, and therefore gluttony and lust are designated as capital vices; moreover a sufficiency of temporal goods is assured chiefly by money, as Boethius says in Book II and Book III *On the Consolation of Philosophy*, hence avarice, which is an inordinate desire of riches, also must be counted as a capital vice.<sup>79</sup>

Aquinas begins by recognizing the role of happiness and desire in the moral life; it does not exist without them. Happiness is characterized in Aristotelian terms as “a perfect good,” “sufficient of itself,” and “accompanied by pleasure.” False happiness also trades on these three characteristics. Pride, gluttony, lust, and avarice all present themselves with these three characteristics; they are all parodies of true happiness. Pride does this with immaterial goods; gluttony, lust, and avarice do it with material goods. Once these vices become ends in themselves, and thus they are capital vices, then they produce other vices that are necessary to order one’s life toward this false happiness.

More so than Aristotle’s sterility argument or natural law *per se*, Aquinas’s prohibition of usury assumes this complex of virtues (charity, justice, and liberality) and vice (avarice). This occurs when money becomes an end in itself, when money is expected to make

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79. *Id.* Question 13, Article 3 (citation and footnotes omitted) (citing ARISTOTLE, EUDEMIAN ETHICS, Bk. II, ch. 1, in THE COMPLETE WORKS OF ARISTOTLE; *Nicomachean Ethics*, *supra* note 76, at 1922, 1930; ARISTOTLE, *supra* note 83, at 1735.)

money without human action and effort. Money cannot be an end in itself; this would produce a false happiness. Money must serve other ends not because of a specific economic analysis of how money functions, but because of Aquinas's theological claims about what constitutes true human happiness. This does not mean that, as Margaret Thatcher said in 1988, "it is not the creation of wealth that is wrong but love of money for its own sake."<sup>80</sup> For Aquinas, avarice is not some internal disposition that is irrelevant to how money is used and exchanged. How wealth is created will be a matter of charity, justice, liberality, or avarice. Wealth creation itself matters. Aquinas's usury analysis helps discern to which of these persons are and are not ordered. What capital funds our life? If man thinks money can increase without industry and increase without any proper teleological ordering, that economic growth knows no limits and should be free, then man will be fueled by avarice. What is interesting is that the very kind of false happiness Aquinas warns us of in *De Malo* seems to be precisely what Mill and the liberal economic tradition of utilitarianism advocate—to desire growth without limit through mutual optimizing of utility. Can the modern corporation avoid this? There is no definite answer; instead one must look to each particular corporation and recognize the variable degrees to which corporations do and do not fall prey to this temptation. The differences between Maytag and Arthur Andersen are prime examples of this. But as long as corporations are generated within a legal context that assumes that they are virtual individuals whose only fiduciary duty is shareholder profit maximization, then irrespective of the many good and virtuous people who work within them, the thrust of this all too modern individual will be toward greed, and the corporation will reward those who pursue greed.

#### CONCLUSION

Economic exchanges that seek faithfulness within God's economy, and the tradition of moral theological reflection within Christian tradition, should at least serve the end of refusing the deadly vice of greed. At their best, they should serve the ends of justice, liberality, and even charity. Given the status of the corporation as a modern

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80. Prime Minister Margaret Thatcher, Speech to General Assembly of the Church of Scotland (May 21, 1988), available at <http://www.margaretthatcher.org/speeches/displaydocument.asp?docid=107246>.

fictive individual who is held legally accountable for profit maximization, it is not evident that such individuals can serve any of these ends. This means that Christian participation and cooperation within modern corporations must work to go beyond the legal requirements that construct these fictive individuals and understand their exchanges as something other than the legal artifice that produces the modern corporation.