

THE DEMPSEY/DIVINE DIVIDE
“Divided on theory but united on social action”

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With considerable support from like-minded academics and other professional colleagues, American Jesuit Thomas Divine spearheaded the drive to establish the Catholic Economic Association in 1941.¹ Fittingly, he was elected the Association's first president in 1942 and served as the editor of the *Review of Social Economy* from 1948 to 1959 (Divine 1967, pp. 4-5). He was recognized officially as the founding father of the Association in 1967 (Roets, p. 553).

Another American Jesuit -- Bernard Dempsey -- served on the Organizing Committee that was assigned three tasks: (1) compile a list of prospective members; (2) prepare a final draft of the Association's Constitution and By-laws, and (3) propose candidates to stand for election as officers of the Association. Dempsey was elected second vice-president of the Association in 1942 (Divine 1967, pp. 4-5) and served as its president in 1945 (Officers, p. 128).

Dempsey and Divine did not speak with one voice. Dempsey was a staunch advocate of the solidarist economics of the German Jesuit Heinrich Pesch; Schumpeter served as Dempsey's doctoral dissertation director at Harvard University. Divine, on the other hand, championed the conventional economics of Lionel Robbins who directed his dissertation at the London School of Economics and Political Science (University of London) in 1938 (Zollitsch, p. 5).² Waters contends that the conventional economics espoused by Divine eventually became the dominant position within the Association and the *Review of Social Economy* (Waters, pp. 91-98).

Both men prepared dissertations relating to interest. Divine's dissertation was titled *The Theory of Interest and the Concept of Social Justice*.² It was published with revisions in 1959 by Marquette University Press under the title *Interest: An Historical and Analytical Study in Economics and Modern Ethics*. Dempsey's dissertation *A Comparative Study of Interest Theories* was published in 1943, at least in part, as *Interest and Usury* by the American Council on Public Affairs and again in 1948 by Dobson and Company.

Divine's orthodoxy perhaps is best reflected in his article "The Nature of Economic Science and Its Relation to Social Philosophy" that was published in the *Review of Social Economy* in 1948. In his opening paragraph and in two other passages Divine cites Robbins' 1932 classic "An Essay on the Nature and Significance of Economic Science" most approvingly. At the very end he directs criticism, apparently, at other fellow members of the Catholic Economic Association.

We regret the tendency, characteristic of the American habit of wanting to get things done in a hurry, to undertake the solution of economic problems without a knowledge of economic theory adequate enough to throw all the

¹ For more on the founding of the Catholic Economic Association in 1941, see Divine 1967.

² Divine archival materials at Raynor Memorial Libraries, Marquette University.

light at its disposal on the implications of solutions proffered. (Unfortunately, Catholic textbooks on economic and social problems are not altogether free from censure in this respect.) (Divine 1948, p. 117).³

It seems that some members of the Association took offense at Divine's criticism of Catholic economics texts. Waters reports that Goetz Briefs who was a charter member of the Association resigned as a member shortly after serving as its president in 1956 because he was convinced that it "had cut itself away from its solidarist roots." (Waters, pp. 91-92).

Dempsey's *Functional Economy* and Divine's *Economic Principles and Social Policy*

Dempsey's decidedly different perspective is best reflected in his *The Functional Economy: The Bases of Economic Organization* published in 1958 by Prentice-Hall. This book is a collection of essays, some published elsewhere, on what Dempsey means by the functional economy that is inspired in no small part by Schumpeter and instructed by solidarist economics though eschewing the awkward term "solidarist economy." In *The Functional Economy* Divine's mentor Robbins is not cited in the bibliography or the index.⁴ Neither is Divine himself mentioned in the preface of Dempsey's book or cited in its bibliography.

Divine's unpublished book-length manuscript titled *Economic Principles and Social Policy* is kept in the archives of Raynor Memorial Libraries at Marquette University. This manuscript is not a collection of essays. It is instead a draft of what Divine intended as a principles textbook. Toward that end Divine signed a contract with Ronald Press in January 1950 to prepare that text. The contract was cancelled in November 1961 due to lack of satisfactory progress.⁵

Though clearly different than Dempsey's *The Functional Economy*, Divine's manuscript reveals that he in fact embraced the hard core principles of Dempsey's solidarist economics, which today has evolved into what is known as personalist economics. Divine, for instance, cites Dempsey in eight of the manuscript's 33 chapters.⁶ In February 1958

³ Here Divine and Dempsey agree though Divine's remarks precede Dempsey's by ten years. Consider the following: "The gravest danger to progress has been done by persons who, with a hobby of their own, go to the encyclicals and select isolated passages that seem to support their thesis. These passages are then used repeatedly to propagate their own idea without any reference whatever to the *whole system* of Christian thought, to which the pet idea may be actually repugnant. A great deal of the activity in Catholic circles in the United States since 1931 (the year of the publication of the encyclical "Restoration of Social Order") has been of this character. The result is widespread misunderstanding, distortion, false emphasis, and far too little progress in understanding the system as a whole." (Dempsey 1958, pp. 73-74; emphasis in the original).

⁴ Dempsey's book in print form is available from Amazon.com. However, it is quite expensive. It is also available as an e-book from Google. WorldCat indicates that his book is held in 226 libraries worldwide.

⁵ Divine's correspondence with Ronald Press in his archives at Raynor Memorial Libraries.

Divine forwarded five additional chapters of the principles text under contract and attempted to persuade Ronald Press that he was making progress. He stated that “Father Dempsey is doing the three or four chapters on the macro economics part and should have them completed in the near future.”⁵

Dempsey is cited twice in Divine’s *Interest: An Historical and Analytical Study in Economics and Modern Ethics*. Once for an “excellent study of the teaching of Molina, Lessius and de Lugo on usury,” and a second time for “the concept of ‘institutional usury’.” (Divine 1959, pp. 86, 209). Additional evidence of Divine’s reliance on and respect for Dempsey is taken up in the body of this paper.

Divine completed his unpublished principles manuscript in the summer of 1960. There is no evidence in Divine’s archival materials at Raynor Memorial Libraries that he continued to look for a publisher after Ronald Press released him from the terms of his contract.

During his tenure as editor of the *Review of Social Economy*, Divine accepted for publication five articles on the most important premise of solidarist economics: the basic unit of economic analysis is not the *homo economicus* of conventional, it is the human person.⁷ It seems quite unlikely that as editor of the *Review* Divine would have accepted papers to which he had serious objections.⁸ Even so, publishing papers with which one disagrees is not unheard of in the professional literature. Indeed, one could argue that it is the duty of the editor to remain open-minded to views that fall outside the mainstream way of thinking.

Our Purpose and Methodology

Our intention in the following is to demonstrate that by introducing solidarist principles into his unpublished principles textbook, Divine properly understood is an early silent partner in the personalist economics enterprise and to our knowledge the first to author a principles textbook that to some extent incorporates those principles. Appendix A displays the 33 chapter headings in Divine’s unpublished textbook.

Our methodology is to compare, side by side, Divine’s writings to Dempsey’s on topics of central importance to personalist economics today. The following 20 topics are covered:

- role of Catholic social economics
- economic agent
- private property
- economic goal: personal development

⁶ The manuscript is not paginated consecutively. For that reason whenever we cite it, we refer to chapter number and page number. The archivist at Raynor Memorial Libraries, Michelle Sweetser, graciously copied and made the manuscript available.

⁷ Today in personalist economics, referred to as the *acting person*.

⁸ Articles published in the *Review of Social Economy* by Baerwald, Boulding, Dempsey, and Hayes originated as papers that were presented at the 1953 meeting of the Catholic Economic Association. A fifth paper by Walker that did not originate at the meeting but falls within the same theme of the person as the economic agent appeared in the *Review* one year later.

government regulation and the principle of subsidiarity
economic institutions, functional organizations, intermediate bodies, and vocational
groups
instrumental value
oppressive government intervention/control
economic justice
justice in prices
justice in wages and the living wage
justice in interest
contributive justice and social justice
common good
entrepreneur
competition
cooperation
excess or pure profits and normal profits
unions
social security

How and why Divine came around to Dempsey's point of view is still a matter of some speculation. Did it have to do with Dempsey's success in getting Prentice-Hall to publish his *The Functional Economy* in 1958 at approximately the same time Divine was working on his principles textbook? Was it an exchange of ideas and arguments between the two during their tenure on the faculty at Marquette University where Dempsey served from 1954 to 1959 (Roets, p. 555) and Divine from 1938 to 1959 (Zollitsch, p. ii)? Did it come about as a result of Divine's service as editor of the *Review of Social Economy*?

The Divine archival materials shed some light on this issue. First, as stated above, in 1958 Divine turned to Dempsey to prepare "three or four chapters on macro economics" for the principles text under contract to Ronald Press. Second, in his personal notes relating to a graduate school class on the scope and methods of sociology at the London School of Economics Divine states that there were two perspectives represented by the Catholic social movement in France – the individualists and the corporatists. Divine states in those notes that these two perspectives were *divided on theory but united on social action*. Third, Divine published two articles in the *Marquette Business Review*, "The Catholic Tradition in Economic and Business Ethics" in 1964, and "The Just Wage and the Living Wage" in 1965. Fourth, in a lengthy paper prepared in 1934 for the Catholic Association for International Peace Divine has a section on justice and charity.

When as a result of the economic interdependence of nations and of the demand for a certain commodity on the world market an industry grows up within a certain nation which effectively and efficiently meets that demand, and when in the course of time the livelihood of perhaps hundreds of thousands of workers come to depend on that industry, and when in the course of time another nation, jealous of the success of that foreign industry in its home market and wishing to give preference to a few favored but incompetent nationals who are clamoring for trade, enacts a tariff

law that partially ruins that foreign industry and throws a huge number of its workers out of employment – is that nation observing the *principles of justice and charity?* (emphasis added).

Though not entirely conclusive the evidence in his archives⁹ strongly suggests that in the end Divine addresses economic affairs at least in part from the same personalist perspective as Dempsey.

The Evidence

- Role of Catholic social economics.

Divine

One of the primary tasks of the Catholic Economic Association is the promotion of economic justice as found in the social philosophy and social pronouncements of the Church. By this I mean an equitable distribution of the national product, or real income, among the various groups co-operating to produce that income. This is a grave task. Its performance requires not merely a knowledge of the general principles of Catholic moral philosophy but an understanding as well of economic theory and practice which qualify these general principles in the application to any specific pattern of economic conditions. Reference to this task is made in the second aim and objective of the Catholic Economic Association as found in the constitution; namely, “to discuss scientifically problems of economic policy, the solution of which requires a knowledge both of economic science and of Christian social principles.” Divine 1944, p. 57.

...the system of ethics that shall be our guide is that of Scholastic philosophy as developed by the great thinkers of that system and applied, in the form of general principles, to conditions of economic life by the Social Encyclicals. The methods of this theory of ethics, we might add, bear a close resemblance to those of economic theory. For, starting with certain assumptions regarding the existence of God the Creator, of man the creature, and of the individual and social nature of man, it draws by deductive reasoning its conclusions regarding the relations and obligations of man to himself, to his fellow man and to his Creator. Yet, as in economic analysis, this a priori is supplemented by a posteriori reasoning, as, for example, in the study of the means conducive to the development and perfection of the human personality, the institution of private property is justified on the ground of what the Utilitarians would call utility, or economic efficiency. Divine 1960, chapter 24, p, 13; emphasis in the original.

⁹ Displaying a side that perhaps only his close friends knew of, Divine left in the archives his own penciled lyrics and music, written in 4/4 time, of a fight song for Marquette University’s football team. The University’s intercollegiate football program was terminated at the end of the 1960 season. It follows that Divine wrote that song sometime prior to 1960.

Dempsey

The formulation of instruments of economic analysis would seem to be one of the “technical matters” for which the Church “has neither the equipment nor the mission.” The formulation of principles or theorems of some general validity for the application of these instruments seem to be part of the “principles” that economics properly uses “in its own sphere.” According to the encyclical [*Restoration of Social Order*] economics “determines what aims are unattainable or attainable in economic matters and what means are thereby necessary.” Schumpeter says, “No science can do more than indicate the means of attaining whatever it is we want.” There remains a broad, broad field in which ethical and religious guidance are requisite when we deal with economic problems with “completeness and realism.” An ineradicable ethical element, however, always remains; these instruments, concepts, and principles, if they actually are indispensable or even very helpful in revealing certain kinds of truth, *ought* to be used by sincere investigators. Dempsey 1958, p. 12; emphasis in the original.

Dempsey assessed human action by a normative ethic grounded in the Thomistic tradition. Although this meant that he took seriously the usury proscription,¹⁰ his work was more than an ethic of obligation which posited laws that were to be obeyed. He situated the usury proscription in the social context of a functional economy. Participation in economic life was a theological task. Although increased productivity, efficiency, and the production of wealth were important elements of a functional economy, so too was the life of virtue. If the economy could not contribute to the latter, even though it increased productivity, then it was a social organization that failed to achieve its proper end. Dempsey masterfully joined two worlds without subordinating the theological tradition to another tradition supposedly more rational. He showed us how a master craftsman works a tradition. Long, p. 706.

- Economic agent.

Divine

A common misconception of the nature of rational conduct (or economic motive or economic relation) as used in economics is to be found in the belief that it necessarily implies selfishness as a base and degrading type. How often do we find economics condemned as a degrading pursuit which studies only the conduct of a mental abstraction, the so-called “economic man,” who is concerned only with seeking his own advantage at whatever the cost to others than himself. This manifests, of course, a complete misunderstanding of the assumption of rational conduct. *Economics is concerned with the study of man not as a mental abstraction but as a human being in the entirety of his personal characteristics and social relationships in*

¹⁰ The usury proscription refers to the prohibition on gains from lending that are based not on savings that are put at risk but on bank created credit that never has been income, never earned, and therefore no savings have been put at risk. In other words, with created credit the bank gives up nothing in the exchange with the borrower. Dempsey referred to gains from bank created credit as institutional usury. For more on Dempsey and institutional usury see Clary, pp. 419-438.

so far as they affect his economic conduct...Rational conduct does not exclude altruism. It merely implies that when one puts goods or services into the circle of exchange for the satisfaction of the wants of others, he tries objectively and impersonally to exchange them at the best rates he can find for the goods that he takes out of the circle for the satisfaction of his own wants or the wants of those for whom he is providing... Divine 1960, chapter 1, pp. 10-11; emphasis added.

Dempsey

Man in his economic activity seeks to provide for his material wants in such a way that material goods will best serve his other higher wants. He must *provide*: economy is providence. And he must provide for and with a human nature designed by divine providence to cooperate in community with other human natures all designed by God for a definite end. Some theory about human and divine providence is interwoven in every economy system. Every proponent of an economic system must maintain that the system he proposes will promote the common good, and this means the common good of human beings. If he did not maintain this, he could not reasonably expect anybody to listen to him, and anybody who proposes a system to promote the common good of men is proposing a system that assumes a theory of divine and human providence. Dempsey 1958, p. 81; emphasis in the original.

- Private property.

Divine

Following Aristotle, St. Thomas Aquinas gives three basic proofs, founded on common experience, for the right of private property. The first is commonly called the argument from efficiency. "Every one shows more concern for the things that belong to him alone than for those that are the common property of all or of many persons." In other words, a man will work harder for a reward that he can retain as his own and will take better care of it after it has been acquired than he would if it were common property.

The second argument is that the institution of private property establishes order in the pattern of economic life...This argument is tied up with the division of labor which would not function effectively without private property and freedom of choice...Men possess different capacities, potentialities, preferences and inclinations rendering them qualified for different occupations in the economic system, all of which are necessary for the satisfaction of multiple wants of the community. But for men to engage in these specialized economic functions there must be stability and security in economic life that is guaranteed only by the institution of private property. From this there results an order in economic life in that by engaging in the occupations for which they are best suited by ability and preference men are achieving not only their own interests, but the best interests of the community.

The third argument is that private possessions bring greater peace and harmony to the community...In setting a clear demarcation of what is mine and what is thine,

private ownership prevents disputes and becomes thereby a guarantor of peace in the community. Divine 1960, chapter 27, pp. 3-5.

Dempsey

The right of private property has been presented and argued for on the basis of three considerations ... under the headings efficiency, order, and peace. Dempsey 1958, p. 186.

The teaching of Thomas Aquinas on property may thus be summarized. The material things of the world serve man's needs. Man, unlike the lesser animals, must plan and use his reason to meet his material needs. The bare right of private property may be learned from the simple subordination of lower beings to man. Proper fulfillment of man's needs and capacities requires the cultivation and development both of material resources and of man's capacities. This cannot be achieved without stable and secure ownership of the instruments, materials and site of production. *Efficient production in order and peace* can be achieved, therefore, only through the institution of private property.

Though justly owned, private goods can never lose the basic ordination to serve the needs of all men, that is, the common good. Though they are justly owned privately, goods remain common in many important senses:

1. The institution of private property must so function as to promote the common utilization of resources.
2. Resources privately owned must serve the community through the common use made possible by exchange. The error of modern times is not the advocacy of "communism." "Common use" is an ancient and correct idea. The modern error is the belief that common use is attained only through state action.
3. In cases of extreme distress, the title to private ownership dissolves, and to take the property of another in case of acute need is not theft.
4. The administration of private property is governed not by the virtue of commutative justice alone but also by social justice, by charity, and by liberality. Dempsey 1958, p. 183; emphasis in the original.

- Economic goal: personal development.

Divine

But in addition to these [individual needs] there are certain social needs which arise from his living in community with others, such as a sense of security and of status, a sense of belonging in his group, a sense of competence and of attention resulting from such competence, and a sense of importance and of participation with others in the job he is performing. But as the fulfillment of those social needs must be found for the most part in that area in which man spends the greater part of his social life, i.e. economic activity, it follows that the final and ultimate goal of economic life is the development and perfection of human personality in so far as that lies within the sphere of economic activity. In other words the individual is not only, as co-producer of goods and services, the efficient cause of economic activity, he is, as consumer and social being, the final cause as well.

The service of man, i.e. of the human personality capable of and responsible for its own development and perfection, is the end and object of all economic, as well as all social and political, institutions. Divine 1960, chapter 24, pp. 7-8.

As we saw in Chapter 24, the final and ultimate goal of economic life is the development and perfection of the human personality insofar as that lies within the sphere of economic activity. Divine 1960, chapter 33, p. 4.

Dempsey

The resulting [social] institutions are to be such that human material development as a condition for integral human development may flourish. Dempsey 1958, p. 57.

... the basic purpose of the society can not be other than the basic purpose of the real persons who compose it, that is, their perfection. Dempsey 1958, p. 273.

These basic drives of man, those of any living being, are the dynamic expression of his life-principle that determines his consistent structure and growth. The most basic and controlling of these is that elemental drive for the highest development of which the being is capable, for that perfection which specifically characterizes it as what is it... when a man attains the highest development of which he is capable, he is a completely “good” man. Having reached his fulfillment and perfection, he is happy. Dempsey 1958, p. 271.

In summary, from their master drive men can know without reasoning that they are structured for a certain development and perfection – for happiness. From their higher elementary drives they can also know without reasoning what some of the elementary goods are that will contribute to this end. In a word, from the working of his own nature, man has a vague indication of where he should be going, and slightly less vague guides as how he may get there. Dempsey 1958, p. 272.

Human action is perfective of human personality. The more fully a human person develops his powers of exercising their functions upon proper objects the more perfect man is he. To know is better, in itself, than to be ignorant. To love is better, in itself, than to commit the will to nothing, to be forever undecided. Dempsey 1958, p. 267.

Man is a person with the right and obligation to develop and perfect his personality. This he can do only in society. The two societies in which he invariably seeks and finds the proper medium for development are the family and the state, which are for this reason called natural societies. Among the functions of the state, one of the principal functions is the procuring of economic prosperity for its members, yet, for this purpose the state is not directly equipped. Men, ever social in tendency, in this as in everything else, lean naturally toward association for the more efficient fulfillment of their material needs, and the state achieves its purpose by fostering, protecting, or, if need be, restoring these associations. Functional associations of this sort are not absolutely indispensable to social life as are the family and the state, but they are required for a healthy commonwealth; for this reason, they are called

quasi-natural societies. They stand lower than the family and the state, but above the purely conventional society, such as a joint-stock corporation or a club. Dempsey 1958, p. 430.

Human personality was not understood here in an individualist manner after the personalist philosophers of this era. Instead, personality was viewed as an Aristotelian *ergon*, a proper work of function that each person has. The task of each agent is to perfect his personality. This is accomplished by the inevitable identification of one's actions with the objects for which one aims. And this occurs only with a social community. Long, p. 704; emphasis in the original.

... "depersonalization" ... is a mortal evil that cuts to the very heart of human associations and makes it impossible for them to attain their ends. Any society in which "depersonalization" is far advanced, not only fails of the purpose of that society, but also strips that society of all meaning and all good. Such a society not only fails *to aid men to practice virtue and to develop into more perfect persons*, but also places positive obstacles in the way of the development of virtue and perverts man's normal inclinations to good by directing them to wrong objects. A depersonalized society not only fails to do good, it does evil; and what good it attempts to do it does badly. Dempsey 1958, p. 242; emphasis added.

- Government regulation and the principle of subsidiarity.¹¹

Divine

... the two chief objective of government regulation of business in American economic history have been: (1) to protect competition by declaring illegal combinations which result in monopolizing or tending to monopolize an industry, and agreements in restraint of trade; and (2) to regulate competition with a view to preventing misrepresentation of other fraudulent or harmful business practices. This regulation is a legitimate function of the state to the extent that it advances the common welfare by protecting the just rights and promoting the lawful interests of consumers and producers, and that the function cannot or is not performed by a subsidiary body. Divine 1960, chapter 31, p. 3.

In the more general area of the overall economic powers and functions of the state, we found that, since the economic forces cannot be trusted to operate automatically and unimpeded for the best interests of society, they must be controlled, guided, and harnessed to the attainment of the desired social objectives. This is a legitimate function of the state provided that, in the attainment thereof, it does not violate the principle of subsidiarity which requires that no organization, either public or private, withdraw from the individual and assume to itself functions which individual enterprise can perform, and that no higher organization arrogate to itself functions which can be performed efficiently by smaller or lower groups. Divine 1960, chapter 33, p. 2.

¹¹ From the Latin *subsidium* meaning help.

To the Scholastic philosophers, in whose eyes the area of state action was limited to the things that could not be done effectively by individuals or lower associations, the functions of government are to regulate, to coordinate, to assist and to stimulate the activities of individuals, and of lesser associations, who are primarily and directly responsible for promoting the economic welfare of the community. Divine 1960, chapter 24, p. 4.

... in the study of economic policy we shall be concerned with the study of principles of action directed toward the attainment of economic welfare, particularly as they apply to the state. To quote again Sir Lionel Robbins “by the theory of economic policy, I mean the general body of principles of governmental action or inaction – the agenda or non-agenda of the state as Bentham called them – in regard to economic policy.” We shall be concerned, therefore, with the determination of the area which comprises the legitimate economic functions of the state and the area that lies outside those bounds, and with the principles of action as found in both areas. And among the principles we find to be related to such action will be those of justice, of individual freedom, of subsidiarity, of economic stability and of economic progress. Divine 1960, chapter 24, pp. 4-5; emphasis in the original.

Dempsey

Man has the aptitude and exigency to perfect his own personality, and since only he can do it only he is responsible. So by the same token man has the responsibility to contribute to the common good of those associations that are necessary to his proper human development. Thus subsidiarity which limits interference with the proper action of responsible human persons, and contributive justice by which, in order to achieve his own development for which he is responsible, man must contribute to the common good of the societies he needs, are the right and left hands by which we grip the social steering wheel to keep on a true course.... Responsibility arises from precisely the same considerations. Dempsey 1958, p. 268.

The good which is common cannot be anything other than or in any way contrary to those things which are helpful (that is, subsidiary) to individual persons in achieving the end of the development and perfection of their personalities within the framework of community living. Therefore there is no social authority empowered in the name of the common good to go beyond the creation of or maintaining of conditions which aid individuals in fulfillment of this purpose. Contributive justice and subsidiarity thus have the same object. Dempsey 1958, p. 268

The state is doing a great many things for which it has neither the “equipment nor the mission.” Dempsey 1958, p. 275.

Just as the family exists to aid its members and, in ordinary circumstances, is an indispensable condition for their development, so other, higher societies exist not to replace the family, but to create conditions in which it can work – and so on up the scale. In the economic sphere, however, the civil government has abolished all self-government for economic life and has substituted its external government. We now have the economic family split into two halves, with each half more or less dependent upon political colonial governors. Dempsey 1958, pp. 319-320.

- Economic institutions, functional organizations, intermediate bodies, vocational groups.

Divine

Sometimes, unfortunately, social writers with more zeal than knowledge or wisdom undertake to construct such blueprints which, the reader is told, represent papal teaching on the reorganization of economic life, blueprints which give to the functional group every monopolistic power imaginable – price-fixing, control of output of individual firms, control of entrance to and egress from the industry, etc. Actually, the establishment of functions groups would not in itself remove the danger of selfishness and short-sightedness in economic relations. The encyclicals themselves stress the importance of reform of morals as well as the need of social reorganization for the reconstruction of the social order. Hence it would be extremely important that freedom of competition and all necessary safeguards for the free movement of prices be maintained, as well as freedom of entry into an industry or profession.

Finally, a functional organization is not something that can be forced upon the economy from above. It must take roots and grow by a natural process from below. It bears no resemblance to the straight-jacket imposed upon the economy by the fascist or other types of corporative states.

Turning to the positive side, the functional type of organization as found in vocational groups or industrial and professional associations advocated by the encyclicals is based on community of interest. It aims to promote cooperation and to abolish conflict, which the encyclicals consider the primary duty of the state and of all good citizens, by emphasizing the areas of interest shared in common by both capital and labor which are greater than the areas of divided or conflicting interest. It makes of the individual firm or plant an economic community in which the individual is able to develop more fully his human personality through a realization of the important to the firm and of the importance of the contribution he is making to it. And this should result in greater efficiency “by relating the efficiency of the enterprise to the satisfaction of personal goals.”

Such organization fulfills the requirements of social justice¹² in that its objective is not the interest of the individual or the group but the common good of the community, be it the firm, industry or nation. It would be in accordance with the principle of subsidiarity in that it could by a structure of self-government in industry take over the performance of many tasks that must now be performed by an overburdened state. ... What could be a more effective antidote against the lamentable tendency to place in the hands of the federal government full responsibility not only for the operation of the economic system but for the welfare of the individual from the cradle to the grave?

¹² Divine uses social justice as “co-terminous with general justice” and as synonymous with contributive justice. Divine 1960, chapter 26, p. 6.

Such, in theory, are the advantages of the horizontal or functional types of organization advocated by the encyclicals. Yet, in practice, we must not rush like the proverbial fools into places where angels fear to tread. Some small beginnings toward the establishment of functional organizations have been made in a few sectors of our economy. They should be encouraged, but they must not be forced. Such organization must grow from within. It cannot be forced from without. Our economic system is an extremely delicate mechanism; we dare not tamper with it wantonly. As social institutions are but means to an end, not ends in themselves, we must be certain that new institutions will help, not hinder, us in the attainment of those ends. Before making a change we must be quite certain of the costs and of the consequences of the change. Divine 1960, chapter 33, pp. 11-12.

Dempsey

... the proper activity of the state is described in four functions: directing, watching, urging, and restraining. The Latin would probably have been better rendered by the English nouns – direction, inspection, promotion, and coercion. Notice, though, that the four words imply a situation in which the state is dealing with something distinct from itself, something which is not the state. That is, the state is directing, inspecting, promoting, and coercing something which has its own proper principle of organization and upon which the state acts from without. As we all know, because the subsidiary organizations have been abolished, state interference in business has been troublesome precisely because the state from without has been attempting to control businesses in their most intimately detailed affairs, a task which can only be done effectively from within, but we do not have an economic order, that is, a level of self-government for business upon which the civil government acts only from without...The absence of these extinct associations has brought it about that the highest forms of government, even our Federal government, which are equipped to act upon business only from without and for the purpose of setting things right, constantly interfere in business as it were from within. There is a direct parallel between the earlier statement that the evil of individualism has left virtually only individual businesses and the state. The economic municipality, comparable to the city of Milwaukee managing its own streets and sewers, has entirely disappeared. Dempsey 1958, p. 283.

It may be in order here, to point out a difference between guild and vocational group which is not unimportant. A person must be a member of the guild to practice the trade, “but a person is a member of the vocation group by virtue of practicing the trade or participating in the performance of this economic or noneconomic vocational body.” Dempsey 1958, p. 277; quoting Oswald von Nell-Breuning.

To project the detailed form on economic institutions is idle fancy. Institutions are the expression of an accepted way of doing things; they follow and cannot precede the doing of them. We have set forth here the history of social and economic errors which have expressed themselves in inefficient and disintegrating institutions. We have outlined sound principles of action congenial to American social genius. It remains for the American manager and American labor leader to put them in

operation, not in plans for world reform, but in the daily, routine decisions that come across their desks. Dempsey 1958, p. 322.

We have sought to show that it is possible to make out a good case for the naturalness of the vocational ordering of economic life “in some form,” or “as a generic type.” Very often, however, when a “vocational order” is proposed to us for moral acceptance it is presented as embodied in a concrete form and a fairly specific type. Either a set of functions or a set of structures or both are presented. This, of course, is not wrong, for it is idle to talk about economic society in the clouds. Dempsey 1958, p. 323.

Of the conclusions that could be drawn from these premises there are two we wish to emphasize. The first is that it is right to insist that there should be careful and honest assessment of the known good against an unknown good, of the known costs associated with the present system as against the unknown costs of proposed changes. We suggest, too, that change should move along known routes of behavior and with known possibilities of absorption of change.

The major second conclusion concerns the moral obligation of supporting socio-economic reform along vocational lines. There is an obligation, we believe, to embrace only what can be shown to be a reasonable program for a particular nation at a specific time. In this connection, we wish to point out that progress has been made in the United States in the last two generations; and we wish to suggest that practical social planning will be most successful if it aims at the immediately possible improvement of existing, if inchoate, institutions. This procedure may involve sacrifice of symmetry and order. But *ars socialis*, it may be recalled, is not *ars logica* or *dialectica*. Dempsey 1958, pp. 333-334; emphasis in the original.¹³

- Instrumental value.

Divine

...as the fulfillment of those social needs [which arise from his living in community with others] must be found for the most part in that area in which man spends the greater part of his social life, i.e. economic activity, it follows that the final and ultimate goal of economic life is the development and perfection of human personality in so far as that lies with the sphere of economic activity. In other words the individual is not only, as co-producer of goods and services, the efficient cause of economic activity, he is, as consumer and as social being, the final cause as well. Divine 1960, chapter 24, pp. 7-8.

¹³ With the exception of the very first sentence, this paragraph is taken with proper attribution from a 1951 article published by the Jesuits Land and Klubertanz in *The Modern Schoolman*. Divine also used this quote with proper attribution at the very end of his book's final chapter on functional organization of society.

Dempsey

Any normal man will face his job and do it well whatever it may be, but in doing so he demands that he be treated as a human being with a certain absolute dignity and worth that is independent of his job. Dempsey 1958, p. 257.

... if the goal of the economic process is the development and perfection of human personality, an economy that seeks but fails to do this is a very bad economy and an economy that sets the loss of human dignity as the condition of operation is the worst. Dempsey 1958, p. 242.

- **Oppressive government intervention/control.**

Divine

The purpose of the state is to assist the individual in the development and perfection of his human personality. It must, then, not only protect him in his pursuit of this objective but provide the conditions that would seem most conducive to his attaining it. It should permit the individual the greatest possible scope for the exercise of freedom and responsibility consistent with the public welfare. It exceeds its authority if, for example, in economic life, it withdraws from the individual and appropriates to itself functions and activities that could be better performed by individuals or smaller groups. Divine 1960, chapter 25, pp. 11-12.

The role of protecting the rights of individuals is commonly known as the promotion of the common good or, as it is called in the preamble of the Constitution, the general welfare. The power to “provide for the ... general welfare of the United States” is specifically delegated to Congress by Article I, Section 8 of the Constitution. It is the primary objective of the government. Divine 1960, chapter 25, p. 15.

The real problems regarding the economic role of the state lie in this area of the [advancement of the material and moral welfare of individuals]... How far may the state go in carrying out its mandate “to provide for the general welfare”? What are the limits of its welfare function?

The answer to this question is to be found in the principle of subsidiarity ... which goes back to the very nature of the state whose purpose is to protect, to aid, to assist individuals but not to take from them and allocate to itself functions or activities which can be performed as well or better by the individuals themselves.... As the encyclical “On Reconstructing Social Order” expresses it: “ ... all social activity, of its very nature, should apply help to the members of the social body, but never destroy or absorb them.” Divine 1960, chapter 25, pp. 17-18.

Dempsey

Just as democracy is in a precarious state when those who vote the taxes and those who pay the taxes are not the same people, so too, when economic decisions are made by persons who do not bear the economic consequences, good or evil, of their decisions, inevitably, those who do bear the consequences of the decisions will exhaust every resource to influence them. When this occurs, as it has in all

industrial countries, the state has lost its impartiality and authority. Dempsey 1958, p. 284.

The thesis of this book is that there is an “indisputable primacy” of the concrete human person and that the virtue of contributive justice is the objective basis for the functional coordination of free persons without their coercion from without by the state. Dempsey 1958, p. 361.

Business consists of two groups of persons cooperating daily in work that requires shared and interchanged information, mutual confidence, and the ability to work together efficiently and without tension. When these groups are separated by law and treated not merely differently (for which there may be good grounds), but as if irrevocably antagonistic, we have all the conditions for keeping production far below what it should be. We have a condition in which men will look to the state as the source of material well-being, a function it can never perform. Dempsey 1958, p. 317.

- Economic justice.

Divine

... the twofold division or two kinds of justice: 1) general (called also by Aristotle and Aquinas “legal”) justice, and 2) particular justice, which is subdivided into distributive and commutative justice according as the equality demanded is one of geometric or arithmetic character. Divine 1960, chapter 26, p. 2.

Justice has been called a general or a particular virtue according as its object is the attainment of the social or the individual good. General justice¹⁴ governs the conduct of individuals (whether subjects or rulers) in their relations to the community. It imposes upon individuals and groups the obligation of contributing their due share (even, if necessary, at the cost of subordinating their own individual interests to those of the common welfare) towards the maintenance of order and the attainment of security and progress in the community of which they are members. Divine 1960, chapter 26, p. 4

The function of Justice is to protect rights, and rights are founded on the dignity of the human personality. Of the whole complex of rights enjoyed by man in modern society some are “natural” in the sense of being inherent in the nature of man, belonging to man as an individual ... Others are social or “conventional” in the sense that they are found necessary for the preservation of peace and order in society for which man is fitted and inclined by nature. They are based on the social rather than the individual aspect of man’s nature...

¹⁴ Divine uses social justice as “co-terminous with general justice” and as synonymous with contributive justice. Divine 1960, chapter 26, p. 6.

The individual members of society are under obligation of commutative justice to respect, to refrain from violating, the rights, whether personal or proprietary, of their fellow members of society. They are likewise obliged by social justice to cooperate, to contribute both negatively and positively, toward the welfare of society of which they are members. Governments, on the other hand, are charged by distributive justice to protect the rights of individuals and to enforce their claims against other individuals and against society; they are charged by social justice to utilize the best means at their disposal to achieve not only security but the state of progress necessary for the good of society which they represent. Divine 1960, chapter 27, p. 1.

In the course of the past three chapters the student must have noticed the recurrence of a familiar and important term, i.e. competition or competitive conditions. The just price, the just wage and the just rate of interest were those determined under freely competitive market conditions, assuming a framework of law and order in which adequate provisions were made for the maintenance and regulation of competition for the common good. We saw, too, how vehement were the condemnations by scholastic philosophers of monopolistic price-fixing which would raise the price of a commodity about the competitive market price, whether by forestalling, engrossing, regrating or price control by medieval guilds. Divine 1960, chapter 31, p. 1.

Dempsey

Justice is defined [by Aquinas as follows]. “It is the perpetual and constant will to render to each one that which is his.” This definition concerns, in the first instance, the justice of exchange, called commutative. This is the justice that governs the ordinary business exchanges, purchase and sale, chiefly, but also wages, loans, rents, deposits, mortgages, and the like. The economic problem involved ... is the quantitative determination of “that which is his.” Commutative justice, however, does not exhaust this social virtue and Thomas expands his discussion to include distributive, legal, and general justice. Dempsey 1958, pp. 164-165.

In short, as Pesch established, just as exchange justice is necessary for the conduct of individual transactions, and just as distributive justice and legal justice are necessary for the administration of the civil organization, so there is a form of justice -- contributive -- which is necessary for the organization and efficient conduct of economic activity. Dempsey 1958, p. 468.

- Justice in prices.

Divine¹⁵

This concentration [of ownership or control in industry] may take the form of a combination of several competing firms into a single unit by the use of such legal devices as the trust, holding company, interlocking directorate, merger, etc., or it

¹⁵ A copy of Dempsey’s 1935 article in the *American Economic Review* titled “Just Price in a Functional Economy” is included among Divine’s archival materials.

may be brought about by price-control agreements, actual or virtual, such as are found in pools, market-sharing, price leadership, and the substitution for price-competition of competition in the form of advertising, product development, sales promotion, etc. Both these forms of concentration of market control can be detrimental to the public welfare not only by the exploitation of the consumer but by the substitution for price-flexibility of price rigidities that interfere with the automatic regulation that competition affords the economic system. They may violate both commutative and social justice. Divine 1960, chapter 31, p. 2.

Dempsey

“Buying and selling were instituted for the common good of both parties since each needs the product of the other and vice versa ... but what was introduced for the common utility ought not to bear harder on one party than on the other, and therefore the contract between them should rest on an equality of thing to thing.” Dempsey 1958, p. 369; quoting Aquinas.

The idea contained in this quotation from St. Thomas was called by Father Henry Pesch, S.J. the principle of equivalence,¹⁶ which must prevail in economic activities not only in contracts between individuals, but also in broader relationships. Father von Nell-Breuning gives the same basic thought from Cardinal de Lugo as “a neat formulation of the principle of equivalence. The justice of a contract of purchase and sale is derived from the equality between the contracting parties. And with reference to this equality there must be considered the burdens they naturally impose on each other.” Dempsey 1958, pp. 369-370.

From the doctrine on private property as stated, and from the doctrine of the organic nature of society and its functional organization, the doctrine of just price follows as a ready corollary. If the face of the earth remains in a radical sense the patrimony of all men, and if, in their efforts to reduce the face of the earth to their service, men work cooperatively like the highly interdependent organs of a body, then obviously the exchange of what is produced under these circumstances must be made equitably. Justice, according to Ulpian and the whole canonist tradition, requires that we render to each man that which is his to an *equality*. Goods are exchanged in terms of their value but, since the productive process is a social process, the value of a commodity is based not on the estimate of this or that individual but upon its social utility, as expressed in the community estimate of its social value. Dempsey 1958, pp. 98-99; emphasis in the original.

The chief difference between scholastic *just price* and classical *natural price* is that the liberals believed their deistic Providence constituted fair markets automatically through the magic of competition, no matter how hard men tried to make them unfair. The guildsmen believed that men were the sons of Adam as well as of God and that the accomplishment of the designs of Providence required the sedulous application of human reason as well as cooperation with divine grace. Dempsey 1958, p. 100; emphasis in the original.

¹⁶ For the most part, Dempsey refers to this principle as commutative justice.

- Justice in wages, living wage.

Divine

... the just wage, as far as commutative justice is concerned, is but a particular form of the just price, The requirements of the just price are the same whether they are applied to the purchase and sale of consumer goods or of the services of the factors of production, land, labor and capital... the just price for any type of labor service is that which corresponds to its economic value as determined under conditions of free and open competition, i.e. the competitive market price or what is commonly called the “going rate” for that type of service. Such a rate represents the “communis aestimatio” or common evaluation of all employers who demand that type of service. It represents an objective exchange value over which no single employer has any control. It precludes, therefore, any possibility of exploitation by an employer of an employee who is aware of the market value of his service. Divine 1960, chapter 29, pp. 4-5.

From the fact that the just wage is but a particular form of the just price which is the price determined in a freely competitive market, there follows the corollary that the principle of “ability to pay” enters in no way in the determination of the just wage as required by commutative justice.... Assuming that the market price is a fair one which expresses the economic value of the services of labor as determined by the common evaluation of all employers, the earning of higher profits by a firm cannot be made the basis of demands in justice for higher wages, any more than it could be urged as grounds for higher interest or higher rent. Divine 1960, chapter 29, pp. 7-8.

... as Father Dempsey has put it, it would seem to be the common teaching among qualified Catholic scholars that “the wage that employer is bound to pay in commutative justice may be equal to, above, or below the living wage.” Divine 1960, chapter 29, p. 11.

... it is in virtue of social justice that the willing and able worker has a right to a living wage, not conditionally but absolutely. While commutative justice is concerned chiefly with the individual character of labor, social justice is concerned with its social character. It demands that the worker receive, to use Wicksteed’s distinction, not the economic value of his services, but the social value of his work; or, in other words, that the economic value of the worker’s services be at least equal to their social value.

The right to a living wage comes from man’s dignity as a human person and from the fact that he is a social being who has definite responsibilities to society and to whom society has definite obligations in return. These mutual rights and obligations are determined by the common good or public welfare. In that area of social relations known as economic activity the individual is obliged by social justice to make the best contribution he can to the productivity of the economic system engaged in providing goods for the satisfaction of the wants of the community. And he is entitled in return to an income that will enable him to meet adequately the needs of himself and family. Divine 1960, chapter 29, pp. 11-12.

Dempsey

Justice requires exchange at just prices, because men are part of a community which is designed to serve the common good of all and in which the parts, insofar as they are human persons, are not subordinated one to another, but are functionally coordinated. If goods are not exchanged at just prices, however, he who does not receive the just value of his work or product is to that extent the slave of the other. Justice is not maintained nor the common good promoted. Dempsey 1958, p. 405.

A just wage may be regarded as a special case of a just price, and the just price was based on the common evaluation of the community arrived at in common and open market. "A common market is one from which monopoly is absent; from which is excluded ... 'every machination and efforts of merchants by which they bring it about that they alone either have the sale of something or sell at a certain price,' and in which price is based 'on the common valuation, made in good faith, entered upon without conspiracy or trickery, in view of the supply or scarcity of goods, buyers, and sellers, and other circumstances.' A just price and one which arises when 'monopoly has been excluded' are closely related ideas."¹⁷

The chief function of the guilds can properly be said to have been the promotion of contributive justice in the establishment of markets that were genuinely common and fair markets. Our great difficulty in arriving at a practical definition of a just wage is that in many cases we do not have such markets. For this reason, the attempt of various Catholic writers in recent years to squeeze unconditional right to a living wage out of the obligations of commutative justice has yielded little fruit. What is needed in order for us to do this ... is to restore what Lessius could take for granted, namely, an economic order which accepted contributive justice as "a going concern." Our first step toward this must be the recognition of the primacy of the common good in the working community itself, "the plant," and secondly, an acceptance on the part of this community as a whole and in its individual members of their obligation to contribute to the common good of all similar communities and of a larger community to which all belong. Dempsey 1958, pp. 226-227.

- Justice in interest.

While Divine in the references section of chapter 30 on "The Ethics of Interest" cites Dempsey's *Interest and Usury* he does not cite Dempsey in the text of this chapter and makes no mention of him or his arguments regarding institutional usury.

Divine

... from the point of view of commutative justice interest is morally justified as the market price of present income in terms of future income, and the market rate may be considered as the just and fair rate of interest. Furthermore, interest as a functional share of total income is warranted on grounds of distributive justice as a

¹⁷ This quote is taken by Dempsey from his own *Interest and Usury*.

remuneration corresponding to the value of the contribution of the services of capital to the total product of the economic system. Thirdly, in view of the requirements of social justice: 1) an individual's right to interest in commutative justice may be superseded by an obligation to lend gratuitously to a needy borrower; 2) the State should afford whatever protection is required in the field of small lending for consumption where the forces of competition are less likely to operate on a wide scale; 3) economists are in quite general agreement that the government can, by judicious use of monetary and fiscal policies, assist in achieving and maintaining a high level of employment and a fairly stable rate of economic growth – which would connote an obligation on the part of the State to assist in the attainment of those goals, and though there is less agreement regarding the importance to be attached to them in the changing phase of the cycle and other ebbs and flows of the price level and the level of employment, it is, nevertheless, conceded that policies which influence the rate of interest are among the important and sometimes necessary means of achieving those ends. Divine 1960, chapter 30, p. 35.

Dempsey

The usury element in inflation lies in the single fact that inflation creates gains from money loans of *mutuum*¹⁸ on the part of persons and institutions who have not saved, and, therefore, do not have the extrinsic moral titles to compensation. Whenever money is lent that has not previously been saved, there is a gain from a loan of *mutuum* for which no moral title exists. Under inflationary conditions, particularly when prices are clear rising – as ultimately they always do – those persons who receive interest payments on funds that have never been saved are receiving something to which they have no moral title. Dempsey 1958, p. 439; emphasis in the original.

- Contributive justice, social justice.

Divine

Social justice is that type of justice which governs the relations of individuals and groups to the community, the object of which is the promotion of the common good. And it is in the virtue of social justice that the willing and able worker has a right to a living wage, not conditionally but absolutely. Divine 1960, chapter 29, p. 11.

...the criterion of need upon which the living wage is based is a criterion not of commutative but of social justice. The claim of the normal worker to a minimum standard of welfare is a claim against society to the opportunity of earning such a standard, i.e. a claim in social justice. Divine 1960, chapter 29, p. 12

... workers as individuals are bound by social as well as commutative justice to make an honest contribution to the productivity of the economic system... Divine 1960, chapter 29, p. 14.

¹⁸ "... *mutuum* is a loan transaction in which that which is mine becomes yours, even though it is a loan." (Dempsey 1958, p. 435).

... the employer must aim at the highest degree of managerial efficiency compatible with the status of the firm ... Divine 1960, chapter 29, p. 15

... the state should undertake such supplementary measures for the improvement of the economic system as lie outside the competence of labor and of management working either independently or in unison... Divine 1960, chapter 29, p. 15.

Dempsey¹⁹

Legal justice concerns those acts of virtue by which a man makes that contribution to the common good by positive enactment. Social justice is the virtue which prompts a man to those acts which contribute to the common good even though they may not be required by positive legal enactment. Indeed social justice may require that we work upon existing laws that for one reason or another are no longer good laws, to make them into laws which will really direct the community to the common good.

This view is in no way a contradiction to St. Thomas' thought inasmuch as he uses the term legal justice very broadly so as to make it coextensive with general justice. Dempsey 1958, p. 165.

A contract in commutative justice that is not mutually advantageous will in general not be made; if such unequal contracts become widespread, the community would be endangered. So in economic terms, contributive or social justice means simply that I am bound, independently and antecedently of the action of the state or any other body having the power to bind me, to contribute to the common good, that is, the general welfare of each group of which I am a member.

The basic reason why I have this obligation is that groups and communities-as social persons-are necessary for the perfection of my own personality, and the economic community in particular is the first necessity for providing me with the decent and possible physical conditions of civilized life. Since, however, the community is composed only of persons like myself, the community has nothing to contribute to me except what in some fashion or other the community receives from its members. Since, therefore, the community is necessary to me, and I and all like me are necessary to the community, when I contribute to the community whatever is necessary for the common good, there is a sort of equation between what I contribute and what I receive. Dempsey 1958, pp. 370-371.

- Common good.

Divine

One would naturally expect to find as great variance in the theories of economic policy as one does in the ethical systems on which they are based. There is, indeed, this common element of agreement, viz. that the ultimate criterion of policy is the general welfare, or common good, however that is conceived and defined. But there

¹⁹ A careful reading of Dempsey indicates that he and Divine mean the same thing by contributive justice, social justice, and general justice.

is considerable disagreement regarding the means by which that goal is to be attained. There is not only difference of opinion as to what specific measures should be adopted in specific instances, but also as to the role of political authority in economic life, the “agenda and non-agenda” of the state ... To the Scholastic philosophers, in whose eyes the area of state action was limited to the things that could not be done effectively by individuals or lower associations, the functions of government are to regulate, to coordinate, to assist and to stimulate the activities of individuals, and of lesser associations, who are primarily and directly responsible for promoting the economic welfare of the community. Divine 1960, chapter 24, pp. 3-4; emphasis in the original.

Dempsey

The Latin words *bonum commune*, which we regularly translated as the *common good*, may be translated with perfect accuracy as the *general welfare*. Dempsey 1958, p. 218; emphasis in the original.

Law, the divine and eternal, governs all human actions, even those which civil law cannot reach, and all human actions, therefore, are related to the common good. This is true of the acts of the virtues of Prudence, Temperance, and Fortitude, which refer primarily to the actions of the individual considered in himself and in relation to things, as well as of the virtue of justice. The genuine practice of any virtue promotes the common good; for clearly, the common good of any society is promoted when the society is composed of virtuous members. Dempsey 1958, p. 369.

- Entrepreneur.

Divine

... profit is a dynamic surplus resulting from changes that occur in a dynamic economy. This resulted in a new concept of the function of the entrepreneur, i.e. that of making new decisions, decisions regarding new combinations of factors, new methods, new products, etc. This concept was further refined by Knight who argued that the surplus or profit in a dynamic economy does not arise merely as a result of change, but because people do not foresee the change. With perfect foresight we would have an economic system continually adapting itself to change with no divergence between cost and price. Hence the reason for profits is not change but uncertainty. Divine 1960, chapter 17, p. 3.

This concept of risk-bearing in the face of uncertainty in a dynamic economy subject to change as the chief function of the entrepreneur explains both the existence of profit and why profit tends to decrease in the face of competition... it is in the case of innovation, i.e. the introduction of new products, new methods of production etc., that the risks in the face of uncertainty becomes greatest. And unless the chances of making a pure profit commensurate with the risks are sufficiently attractive, it is not likely that the new ventures will be undertaken. Once they are undertaken and prove successful, the appearance of these profits will in time draw other firms into the field and the new projects will tend to disappear in the course of equilibrium adjustment. Divine 1960, chapter 17, pp. 3-4.

As entrepreneurs have rights, they also have their social and moral obligations. More than any other group in economic society they have social responsibilities toward other groups and toward the community as a whole, of which they cannot be unmindful. It is they who bring together the other factors and initiate the process of production. It is upon them that the community depends to provide goods for the satisfaction of its wants. It is upon them that labor, which constitutes so large a percentage of any population, depends almost entirely for employment and for an income consonant with the dignity of human personality. It is as a reward for services rendered in the performance of such highly important social functions that the entrepreneur's profit is socially and morally justified. Divine 1960, chapter 17, p. 7.

Dempsey

American competition is a new thing in economics. It is itself an undigested innovation. It is not atomistic; it does not deal with small units. It is not impersonal; innovations come from persons; only people, not markets, have ideas. Dempsey 1958, p. 343.

... in a free, dynamic economy the role of the entrepreneur is continually shifting, waning in this industry, increasing in that industry, changing its form in this field, and, in its ideal type, breaking entirely new ground. This makes the isolation of his precise function difficult. Dempsey 1958, p. 353.

The economic innovator ... grasps some relation between materials, products, or markets and proceeds to break the circular flow. Even more than the scientist, the entrepreneur must be a man of will. He needs not only patience to ignore the scoffers; he needs resources, his own or someone else's, to risk, and along with them he risks his own savings, reputation, and future. Dempsey 1958, p. 362.

- Competition.

Divine

There are ... certain aspects of economic liberalism that make it unacceptable as a theory of social policy. In the first place, and this is directed chiefly at the laissez-faire segment of economic liberalism, competition, important and necessary as it is in economic life, can serve neither as the sole organizing principle nor as the sole social control of economic activity. For (1) under any conditions short of perfect competition, and how little of that is there today, there is an inherent tendency for competition to disappear actually or virtually, under the influence of self-interest, particularly where economies of scale result in larger and fewer firms, or when the existence of brand names, trademarks, etc. bring about a condition of competition between monopolists. Hence, historically, we have witnessed the need of intervention by the government to protect competition through legislation such as the Sherman Anti-Trust Act, the Clayton Act, the Robinson-Patman Act, etc. And (2) there is no assurance that, when effective, competition will necessarily bring about the most desirable social results. Divine 1960, chapter 25, p. 12; emphasis in the original.

...bigness is not necessarily badness. The danger lies not in the growth of size of firms, either in production or distribution, which result in large-scale economics that are passed on to consumers in the form of lower prices. It lies in the development of concentration of ownership or control in industry whose purpose is to benefit not the consumer but the producer in the form of higher profits. Divine 1960, chapter 31, p. 2.

The growth of large units resulting from economics of scale is not only to be permitted but encouraged as long as these units are engaged in active price competition which passes on the advantages of lower costs to consumers in the form of lower prices. If, on the other hand, the presence of a relatively few industrial giants, whose existence is justified by economies of scale, results in monopolistic price agreements, either actual or virtual, the government should apply to that industry the same controls that it has exercised over the railroad industry, the power industry, etc. This could lead to the extension of the public utility or quasi-public utility concept to cover such basic industries as iron and steel, aluminum, and petroleum. It would mean the preservation of the advantages of large-scale production through legal regulation as a substitute for competition. Divine 1960, chapter 31, p. 22.

Dempsey

... Competition is not the first principle of economic organization. “The proper ordering of economic life cannot be left to free competition *alone* ... even though, within certain limits, just and productive good results [free competition] cannot be the ruling principle of the economic world.” (*Restoration of Social Order*, 88). “Free” competition clearly refers to the “Manchester School” which taught “that the state should refrain, in theory and practice, from interfering in [economic affairs] because these possess in free competition and open markets a principle of self-direction better able to control them than any created intellect.” (*Ibid.*) The reason for the absence of interference here is quite as important as the fact. Dempsey 1958, p. 335; emphasis in the original.

There is a style of business in the United States, and it is not limited to the public utility field, in which the units are gigantic but dedicated to maximum output at minimum unit cost and maximum distribution. This is a typical American achievement, and, although it has proceeded on a business basis, there is something profoundly democratic about it. Underlying it is a conviction that it is a good thing for the many to have incomes to buy high class products, especially consumer capital goods. Dempsey 1958, p. 339.

Competition as an abstract analytical economic concept has always been very recalcitrant to rigid definition. In practice, economists actually avoid the problem by defining markets as more or less competitive, however uneasy we may be about precisely what that means. We identify competition by certain of its effects without being perfectly clear as to what it is that is producing these effects. Dempsey 1958, pp. 343-344.

- **Cooperation.**

Divine

... granted the existence of some conflict of interest as between, e.g. the wage rate and the rate of profit, the area of community of interest between those who combine to supply the various factors to the unit of economic organization, i.e. the firm, is greater than is the area of conflict. Furthermore, the conflict of interests arising from the size of relative shares applies only to static conditions where the amount of total income remains the same. If, through conscious cooperation resulting from a realization of community of interests, the total income increases, then absolute shares also increase even though relative shares remain the same. This principle lies at the basis of profit-sharing. Divine 1960, chapter 24, pp. 11-12.

On this Father Dempsey appropriately comments: “**If** production units are organized on a national basis, and **if** both the owner-manager party and the labor party accept and operate on a theory of class conflict, and **if** the laws and courts that interpret these laws accept and accentuate the same theory, then the lines become more and more sharply drawn until we have an economy split horizontally on a fictitious basis. Under such conditions, the real community that exists among those who actually cooperate on the job is suppressed, and a unity is promoted among employers as a class, who have nothing in common except their opposition to ‘labor,’ and among workmen as a class who have nothing in common except their opposition to ‘capital.’ Nothing is done to make easy and effective the realistic cooperation on the job that is the source of efficiency and the production that gives high real income for all.” Divine 1960, chapter 33, pp. 5-6; quoting Dempsey, emphasis in the original.

Dempsey

Cooperation in the economic process is both implicit and explicit. Factors of production working together on a job are obviously cooperating. Less obviously, but equally importantly, factors working upon different jobs, but with the object of exchanging the surpluses arising from the specialization, are also cooperating toward a common objective, namely, the provision of an improved standard of living for both.

The most radical form of social cooperation is the division of resources (*divisio rerum*). This division rests upon the obvious fact that persons who are allowed to cultivate the same plot of ground, to specialize in the production of certain products, acquire a skill that causes the product so produced to exceed indefinitely the product that would be available if this stability in location and operation were not present.

This is the economic argument for the institution of private property, and in no way does it conflict with the ethical argument, but powerfully supplements it. It also furnishes us with a practical norm for judging whether any concrete institution of private property is achieving the object of its institution, that is, the reduction of the resources of the earth to the uses of all men. Dempsey 1958, pp. 21-22.

Very closely related to the division of resources is the division of labor [that] ... has in the last several generations, undergone an impressive... development. Precision tools, which made possible the use on interchangeable parts, so that a motorist can stop at any crossroads filling station and buy a spark plug that will fit his car, also made possible assembly-line production [that]... enables both producers of parts and assemblers to carry their specialization to such a degree of refinement that every item produced can be used on any one whatsoever of thousands, or millions, of final products.

The low cost of many modern products, notably the automobile, is due to the efficient development of this sort of division of labor.

There is also a division of resources on a world-wide geographical basis that brings about exchange among regions, bringing us tea, coffee, rubber, sugar, bananas, twine, olives, dates, and other tropical and semitropical products that our own country is not equipped to produce efficiently. Dempsey 1958, pp. 22-23.

- Excess or pure profits, normal profits.

Divine

By profit, in the widest sense, we mean the difference between total revenue and total cost. But this difference may mean various things under various circumstances. To the producer who manages his own enterprise in which he utilizes his own capital and land, it must include interest on his invested capital, rent on his land, and his own wages of management. If the difference between total revenue and cost exceeds the value to these services contributed by the producer to his own enterprise, the remainder constitutes “pure profits,” which are to be considered the reward of risk-bearing to the extent that the conduct of the business involves risk. It is this type of profit that economists have in mind when they say that under conditions of competition there is a tendency for profits to fall to zero. Divine 1944, p. 58.

To find the earnings of entrepreneurs as such we must define profits as the residue or net income of a business which is the difference between total revenue and total costs which include both explicit and implicit rent, wages and interest. Profit used in this sense is commonly call “pure” profit. As it is the surplus which remains after contractual payments are made or attributed to all the other factors of production, it constitutes income that can be attributed only to the entrepreneur for the function he performs in the economic system. This is the sense in which he have been using profit throughout our study. It was first introduced by J.B. Say and Walker and later taken over by Marshall who defined it rather loosely as the “earnings of management.” Divine 1960, chapter 17, pp. 1-2.²⁰

²⁰ Divine does not cite Dempsey or Schumpeter in chapter 17, “Profits of Entrepreneurship”.

Certainly income such as [“pure profit] is justifiable to the extent that it constitutes a compensation for risk-bearing which is the essential and distinctive characteristic of entrepreneurship. But what if this pure profit should exceed the rate considered necessary for the compensation of risk in any particular venture? Even then, assuming that the producer’s costs cover a just compensation for the value of the services of the factors of production he has hired or purchased, and that his revenue as derived from the sale of his product at a fair price (i.e., the market price or uncontrolled price), we should not hesitate to affirm, that the producer has a just right to this income in the absence of any superior claim by another individual or group. This profit might constitute a reward for superior foresight or more efficient management, or simply, a windfall, which in good times might compensate for losses incurred in periods of economic depression. Under such circumstances the producer may, and often will, proceed to share such profits with labor, particularly if a high degree of co-operation exists between labor and management. That this is a desirable policy, especially where the windfall profits are very large or continuous, no one will deny. But unless labor (because e.g. of better labor relations and higher efficiency) is more productive in this enterprise than in similar competing firms, or is willing to share in the losses of the firm, as well as in its gains, it can hardly claim a share in such profits as a moral right. This does not apply, of course, in cases where the surplus pure profits are monopoly profits obtained at the expense and through exploitation of either labor or the consumer. Divine 1944, pp. 59-60.

Dempsey

The economic status of the individual in organized society today is largely determined by his command over purchasing power. This command, in turn, is acquired by rendering services of hand or brain -- labor service or the ability to organize and direct business activity -- for which wages and salaries are the reward. Those who own land may work it or lease it, and thus derive an income, a flow of purchasing power, from the rental. Those who have accumulated wealth by saving or inheritance may either themselves employ it at a profit for productive purposes, or may lend it out to others at interest. This, the services rendered by *labor*, *enterprise*, *land*, and *capital*, are the primary sources of purchasing power for their owners in the form of *wages*, *profit*, *rent*, and *interest*. Dempsey 1958, p. 33; emphasis in the original.

The attempts to define the point of equilibrium rest upon a single assumption that all economic agents seek to maximize net revenue in the case of the entrepreneur profits. There used to be a penumbra of approbation about this, a feeling that if all parties sought to maximize net revenue this somehow led automatically to a true optimum. Such an equilibrium would actually represent the best allocation of resources under the given conditions.

Profit maximization looks to only one half of the twofold character of men and property, their individualistic side, “a purely quantitative method which takes no account of the order of nature.” If as a matter of fact they have in reality a social element, ignoring it will make it impossible to arrive at a genuine equilibrium; “a

quantitative method, however perfected, neither can nor ought to control the social and historical reality of human life.” Dempsey 1958, p. 350; quoting Pius XII.

Both the business executive and labor executive are monopolists ... are very, very frequently in a position to prevent resources flowing into certain products. This may produce a temporary advantage, but it cannot be an enduring one. Dempsey 1958, p. 350.

The monopolist ... controls the flow of resources, whether human or material. For his contribution to tranquil efficiency he is entitled to a living, but his function is to guide resources to those uses which will contribute to the common good, no matter how obvious is his ability to inhibit them. Dempsey 1958, p. 352.

Participation²¹ [through profit sharing plans and by other means], though eminently desirable on many grounds, cannot be shown to be a matter of natural right and, apart from a specific contract freely entered into, is not a matter of commutative justice. The right to participate in policy-making is not something that we must render to another as his own. Since a business, though an association and a community, is not a *society* in the technical sense of moral science, these same relations are not governed by distributive justice, yet they are obviously fruitful and important. In the present circumstances of American economic society these relations are govern by contributive justice. But the whole field furnishes us with a fine example of how commutative justice, important as it is, is not an adequate instrument for the good government of economic relations. Many other virtues are needed to achieve a restoration of social order. Dempsey 1958, p. 264, emphasis in the original.

- Unions.

Divine

Workers dissatisfied with the impersonal relationships of the labor market and with the absence of a sense of belonging in the firm may join labor unions in the hope of having their needs for security, status and participation so fulfilled. Their loyalty to the union may then develop to the point of looking upon it as an end in itself, paraphrasing the slogan of Stephen Decatur “my union may it be always right, but, right or wrong, my union just the same.” Divine 1960, Chapter 24, p. 10.

... desirable as is loyalty to an economic organization like the labor union, if made exclusive it can become a divisive and even destructive force. There is need also of loyalty to a higher organization that combines all factors for a common purpose, i.e., the firm. Yet here, too, we encounter a dilemma which implies that there are limitations even to this type of loyalty. For the higher the degree of loyalty of wage-earners to the firm, the greater is not only the stability but also the immobility of labor. And in a dynamic society a mobile labor force is highly desirable in that it makes possible easy and rapid movements from place to place, from firm to firm in

²¹ Dempsey means participation by labor in the management of an enterprise.

response to changes to tastes, of technology or of product innovation. Divine 1960, chapter 24, p. 12.

Dempsey

The expansion of the union movement in the United States gives to the American workers involved a more secure and more favorable place in the economy. Given wise and responsible union leadership (cf. *Restoration of Social Order*, 74), this makes possible substantial and enduring economic improvement for the hourly paid worker. Yet this new strength has, in some cases, been bought at a cost of dependence upon government and politics. The intimate relation of certain unions with political elements manifests itself in the increased direct political activity on the part of some unions, the efforts of communists to control others for their broad political purposes, and the activity of certain unions in reprehensible activities which, if we can judge by analogy with similar activities by nonunion operators, are possible only with the assured cooperation of local political people.

Perhaps, the organization of large groups, lacking the cohesive force of a common traditional skill and therefore marked by heavy turnover, was impossible without governmental patronage and legal support. If that legal support had merely aided in the origin of these bodies, which thereafter could have stood on their economic feet, results might have been different, and the principle of subsidiarity would have been working handsomely. However, it has not so worked, and we are here confronted with a gain in objective social justice combined with a loss of subsidiarity function and a sharpening of class conflict with the state now involved in the conflict. Dempsey 1958, pp. 447-448.

- Social Security.

Divine

Within the past hundred years there has been a tendency to make the state more and more responsible for the economic welfare of its citizens. The movement began on the continent of Europe, particularly in Germany, and spread to Australia, New Zealand and Great Britain. It finally took hold in the United States in the thirties with the passage of New Deal welfare legislation covering such measures as unemployment relief, *social security*, federal housing, price-supports and subsidies for agriculture, labor legislation, minimum-wage laws, regulation of securities, loans for various purposes, and water-and land-development projects. And now we hear even from economic liberals a plea for the guarantee of economic security by the state to all citizens from cradle to the grave. How far may the state go in carrying out its mandate “to provide for the general welfare”? What are the limits of its welfare function?

The answer to this question is to be found in the principle of subsidiarity ... which goes back to the very nature of the state whose purpose is to protect, to aid, to assist individuals, but not to take from them and allocate to itself functions or activities which can be performed as well or better by the individuals themselves. Divine 1960, chapter 25, pp. 17-18; emphasis added.

Dempsey

The value of social security in the United States for the promotion of the ends of social justice seems at the present moment to be great. The number of persons eligible for old age benefits is small, and payments, therefore, have not been burdensome. Unemployment benefits have not been heavy for any prolonged period of time. Meanwhile, survivors' benefits have been paid in cases having a strong human appeal.

The administrative costs of these few benefits have, at the same time, been impressive. The full significance of the operation will be revealed only with the passing years, as more and more persons annually become eligible for old age benefits, and it becomes clear that their "insurance" payments were merely a form of poor man's income tax. The net result of all the payments (which have, of course, currently been spent) is to leave the federal government in a slightly better credit position, able to borrow a trifle more cheaply. The government spending has, of course, been competing with the dollar of the "insured" in current spending and will do so again when either bank borrowings or open inflation are resorted to [in order] to make the payments.

This is perhaps the simplest case in which apparent gains in social justice have been made only by doing violence to subsidiarity. It would have been perfectly possible to require by law that employers take out insurance with commercial companies who would invest, not spend the money. If it were deemed necessary, a residual government aid in the form of an ultimate discounting agency analogous to the Federal Land Banks could have been erected to handle disastrous emergencies that might freeze all companies at once. This would have resulted in economic investment that would have enhanced the value of the insured's dollar while lowering his current living costs. Inflation would have played a role only as the extreme resort in catastrophic situations, as it should. Most importantly, in this case the insured would only have been helping themselves; they would have had no one to be grateful to or upon whom to be dependent in the future. Dempsey 1958, pp. 448-449.

Conclusions

The evidence demonstrates that, even though the two did not speak with one voice in the early years of the Catholic Economic Association, by 1960 Divine and Dempsey were in agreement on the central tenets of Catholic social economics and the social economy. To illustrate, in prepared comments to the members of the Catholic Economics Association in 1966, Divine identified three areas he considered most appropriate for further exploration based on the intersection of economic science and Christian social principles: economic development, poverty, and economic and business ethics (Divine 1967, pp. 5-6).

Our investigation of the Dempsey/Divine divide raises four questions. First, had he seen Divine's unpublished manuscript would Waters have argued that the conventional economics espoused by Divine eventually became the dominant position within the Association and the *Review of Social Economy* (Waters, pp. 91-98)? Or would he have embraced a different argument to the effect that under Divine's editorship the *Review*

stepped up its standards of scholarly rigor due in part to his (Divine's) open criticism in 1948 of a lack of such rigor among some Catholic writers, a view that Dempsey himself had taken several years later?

Second, how do we square the Divine position becoming dominant in the *Review* with the evidence drawn from a detailed comparison of Dempsey's *Functional Economy* and Divine's unpublished book-length manuscript? One answer stands out above all others. Divine was editor of the *Review* from 1948 to 1959 giving him unparalleled insider influence on its content. Dempsey never had that opportunity.

Third, was Goetz Briefs' resignation from the Association in 1956 on grounds that it "had cut itself away from its solidarist roots," as reported by Waters, a response to the dominant role played by Divine, the student of Robbins who was no advocate of solidarist economics? Or was there another reason for his departure possibly more personal in nature and more important? Did Briefs take personal offense at Divine's harsh criticism of Catholic textbook writers for their lack of knowledge regarding economic theory? In this regard we have no hard evidence. What we do know for certain is that solidarist Dempsey shared the same misgivings (cf. Divine 1948, p. 117; Dempsey 1958, pp. 73-74).

Fourth, did Divine finally come around to Dempsey's views or was Divine all along just more outspoken about his conventional views on economic principles than his solidarist views on social policy? The evidence we examined offers support for both interpretations. Dempsey and Divine served together on the Marquette University faculty from 1954 to 1959. While Divine never found a publisher for the principles textbook he was working on in the 1950s, Dempsey got his book published in 1958 by the prestigious Prentice-Hall publishing house. Conceivably in earlier years Divine was very mainstream on both economic principles and social policy and Dempsey finally won him over on social policy. Or Divine all along was in agreement with Dempsey and the other solidarists on social policy and finally demonstrated that agreement in his unpublished principles textbook. A listing of the publications of Divine and Dempsey in the *Review of Social Economy* is found in Appendix B. A listing of some of their other publications is found in Appendix C.

We conclude, nevertheless, that the evidence from our investigations strongly indicates that both Dempsey and Divine were important contributors to the development of a personalist economics social policy. Further, Divine's lack of success in finding a publisher for his principles textbook ought not keep us from admiring and applauding his effort, the very first to our certain knowledge, to re-write the principles text to include the most fundamental tenets of solidarist, now personalist, thought. Thus, crude and unfinished as it is, Divine's unpublished *Economic Principles and Social Policy* is the earliest evidence of such a significant effort that even today has no equal.

In the end, Divine's notes as a graduate student on the French Catholic social movement wherein the individualists and corporatists were characterized as "divided on theory but united on social action" provide a fitting description of Divine the faithful student of Lionel Robbins and Dempsey the follower of the economics of Heinrich Pesch and Joseph Schumpeter, both of whom wrote on social justice, the just wage, and business ethics. Dempsey and Divine: *divided on theory but united on social action*.

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APPENDIX A

Chapters in which Dempsey is cited in the reference section are highlighted in red

I. Introductory

1. **The Nature and Scope of Economics**
2. **Some Fundamental Economic Concepts**
3. **The Factors of Production**
4. **Organization of the Factors of Production. The Business Unit**
5. **Types of Business Units or Firms**

II. Micro-Economic Analysis

A. The Theory of Value and Exchange

6. **Marginal Utility and Consumer Equilibrium**
7. **The Determinants of Demand**
8. **Market Supply**
9. **How Market Price is Determined.**
Equilibrium Market Price Under Conditions of Competition and of Monopoly

B. The Theory of Production and Distribution

10. **The Equilibrium of the Firm Under Conditions of Perfect Competition**
11. **The Equilibrium of the Industry Under Conditions of Perfect Competition.**
Long-run Price Determination
12. **Short- and Long-run Equilibrium Under Conditions of Monopoly and of Monopolistic Competition**
13. **Functional Distribution. Determinants of Factor Prices and of Factor Incomes**
14. **Wages of Labor**
15. **Rent of Land**
16. **Interest on Capital**
17. **Profits of Entrepreneurship**

III. Macro-Economic Analysis

18. **Money and Exchange**
19. **The Banking and Financial System**
20. **How the Value of Money is Determined**
21. **National Income and Its Measurement**
22. **The Determinants of Income and Employment**
23. **Business Fluctuations**

IV. Problems of Social Policy

24. **The Nature of Economic and Social Policy**
25. **The Economic Functions of the State**
26. **The Nature and Kinds of Justice**
27. **Private Property. Its Ownership and Use**
28. **The Just Price**
29. **The Just Wage**
30. **The Ethics of Interest**
31. **Maintaining Competition**
32. **Agricultural Policy**
33. **Functional Organization of Society**

APPENDIX B

DEMPSEY AND DIVINE IN THE *REVIEW OF SOCIAL ECONOMY*

DEMPSEY, BERNARD W.

- Ability to Pay. 1946, p. 1. Presidential address.
- Economics Implicit in the Social Encyclicals. 1942, p. 12
- The Usury Element in Inflation. 1951, p. 36.
- The Wage Frontier. 1960, p. 97.
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- Review. *Economic Synthesis* by Boris Ischboldin. 1960, p. 83.
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DIVINE, THOMAS F.

- On the Assumption of "Rational Conduct" in Economic Science. 1950, p. 77.
- On the Place of "Profit" in a Capitalistic Economy. 1944, p. 57. Presidential address.
- On Yoking the Economic Forces to the Social Car. 1942, p. 6.
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- Comment: Low-Income Families and Measures of Income Inequality. 1962, p. 22.
- Review. *On the Formation of Political Economy* by Ludwig H. Mai. 1971, p. 279.

APPENDIX C

OTHER PUBLICATIONS²²

DEMPSEY, BERNARD W.

A Comparative Study in Interest Theories, doctoral dissertation, Harvard University, directed by Joseph Schumpeter, 1940; published at least in part under the title *Interest and Usury*, American Council on Public Affairs, Washington, DC, 1943 and again by Dobson and Company, London, 1948.

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“Tariffs and World Peace,” a study presented to the Catholic Association for International Peace, Washington, DC, 1934.

“The Catholic Tradition in Economic and Business Ethics,” *Marquette Business Review*, Volume VIII, Number 1, Spring 1964, pp. 1-16.

²² Additional publications by Dempsey are listed at <http://philpapers.org/s/Bernard%20W.%20Dempsey>

“The Just Wage and the Living Wage,” *Marquette Business Review*, Volume IX, Number 4, Winter 1965, pp. 148-155.

***The Theory of Interest and the Concept of Social Justice*, doctoral dissertation, London School of Economics and Political Science (University of London), directed by Lionel Robbins, 1938; published with revisions under the title *Interest: An Historical and Analytical Study in Economics and Modern Ethics*, Marquette University Press, Milwaukee, 1959.**