

Toward a Catholic Theology of Money



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Short Abstract

The Catholic tradition is rich in supplying the principles by which to evaluate theological matters—and usually quite comprehensive in applying them as well. A great lacuna in them, however, is in the context of money. For all the Catholic vitriol on the evils of money, the tradition has not sufficiently grappled with the nature of money, instead leaving us to wonder whether or not it is opposed to God and the Church. Given the rise of Catholic social doctrine since Pope Leo XIII (d. 1903)—which has developed theological understandings of many financial techniques and systems—it is surprising that there is no evaluation of money as the foundational financial instrument. Catholic economic insight will be limited until it has effectively considered money. This thesis begins to fill that gap. Chapter 1 considers various contemporary theories attempting to define the essence of money, concluding that they are insufficient precisely because the various forms of money arising in history do not neatly fit into a singular category; they all have a different etiology and function. Instead, we must ask which type of money is *simplex* or ideal for human communion. Chapter 2 considers that question by examining the only treatise in patristic or scholastic literature that systematically addresses it—Nicole Oresme’s *De moneta*, in which he argues for decentralized commodity money. From there I attempt an evaluation of that specific form of money—its metaphysical predicaments (Chapters 3 and 4) as well as its redemption (Chapter 5), entering into a debate with the Austrian school of economics in doing so. In the final chapter of the thesis, I consider the nature of money as capital and argue that the attempt to render all money as primarily a productive asset undermines the stability of just exchanges. Ultimately, while this thesis resurrects and defends the neglected Catholic endorsement of a stable currency, I argue that returning to sound money is not first and foremost a policy

proposal, but a derivative of a disposition that either makes the just use of money easy or difficult—a catalyst for moving further into abstraction or an aid to better live in reality.

Long Abstract

Beginning with biblical literature and patristic thought, the Catholic tradition has leveled striking criticisms against money. Consider, for instance, the line from Basil the Great (d. 374), “Who is the father of lies? Who is the author of forgery? Who gave birth to perjury? Is it not money?”, the reoccurring commendation of John Chrysostom (d. 407), “let us despise money”, or the insight of Pope Leo I (d. 461) that “it is difficult to prevent sin between buying and selling.”¹ The condemnation of simony, buying and selling religious goods, offices, or prayers, is particularly arresting, given that monetary payments were not only allowed and permitted but demanded and required in order to engage in pagan rituals. Payments were required for prophecies; sacrifices to the gods were considered by some such as Plato to be tantamount to business transactions; and, above all, money was considered a sacred object. Yet, for all the Catholic rhetoric on the evils of money, the tradition has not sufficiently grappled with the nature of money. Given that the magisterium’s teaching priority in the past century has been social doctrine—with a major concern for financial techniques and economic systems—it is a lacuna never to address money itself as the foundational financial instrument that it is. This thesis begins to fill that gap.

The first chapter attempts to stage the exploration of the rest of the thesis by asking if the essential nature of money opposes what the Catholic Church has taught

¹ John Chrysostom, “Homily 27 on John” PG [59:160] (ἀργυρίου καταφρονοῦμεν) and “Homily 77 on John” PG [59:418] (καταφρονεῖν... χρημάτων); Basil the Great, “Homily on the Rich” PG [31:297]; Leo I, Letter 167 PL [54:1206].

about God and his Church. The introduction of new technologies always changes the environment that they are in. Money, as a tool, likewise does so—but is it for good or ill? In beginning to answer this question, I turn to modern monetary debates on the essence of money—whether it is primarily a commodity or a credit. Within this first chapter, I argue that neither definition can encompass all types of historical money and that there is a credible reason for this: the various forms of money arising in history have different etiologies and functions. The artifacts that a society produces are representations of its values. I propose that a theology of money is needed, for it would seek to explain money’s role in, or transformation of, society in its attempt to fulfill the common good. I briefly demonstrate that the question of which type of money is *simplex* or ideal for human communion has been insufficiently considered. The major exception to this claim is the *De moneta* of Nicole Oresme (d. 1382), which is the topic of Chapter 2.

Scholars widely believe that within his treatise on money, Oresme summarized the scholastic consensus on the superior form of money and did little else. In Chapter 2, I question that interpretation, arguing that he did represent the high scholastic tradition on economics, but substantially developed the evaluation of it from within a political framework. I attempt a holistic reading by integrating his monetary theory with his political theology. Oresme situates the analysis of money within the context of its use, demonstrating how changing the form of money profoundly alters the type of political economy one has. In particular, he admonished people from producing money whose value could not easily be recognized; abstractions ought to remain close to the reality they represent, lest they begin to veil it. Based upon these principles and others, Oresme advocated for a decentralized, commodity-backed money—or what he called sound money.

The question of the nature of sound money is ultimately a question of order, which is why I begin to develop Oresme’s thought with a metaphysical evaluation of commodity-backed, decentralized money in the following chapter. While Oresme has made a negative case against centralized currency as a tool of tyranny, his positive argument for decentralized commodity-money does not seem to address the concerns that the fathers and the scholastics had with the personal use of money. Thomas Aquinas, for instance, wrote, “Riches, once they are possessed, are certainly in themselves of a nature to hinder the perfection of charity, especially by enticing and distracting the mind.”² In Chapter 3, I begin by examining the nature of decentralized commodity money to better understand why Aquinas would cast aspersions upon it—particularly asking what components of it “distract the mind”. I argue that money is a power relation between people in a community. Particularly, it is a consumable form of power in which its efficacy is consumed in its use. Following Aquinas, I argue that the use of money is grounded in its calculation of goods, as well as its exchangeability. The calculations have no logical grounding of comparison given that objects and services are incommensurable with monetary valuation as they pertain to different primary ontological categories. The exchange value of money has a quasi-transcendental character to it that abstracts from reality. This is the basis upon which Aquinas implies that money is matter without form, and, as such, it does not operate in accord with created reality. Aristotle had said that this dubious form of abstraction, however, seemed to work well enough. Aquinas agrees. Except, he says, an evil arises—indeed, the root of all evil—when one allows money to become ubiquitous throughout society. The false abstraction begins to be concretized in

² STh., II-II q. 186 a. 3 ad 4: *Divitiae autem habitae per se quidem natae sunt perfectionem caritatis impedire, principaliter alliciendo animum et distrahendo.*

reality through a universal mode. Through these evaluations, we begin to understand what Aquinas means by the idea that money distracts the mind. How that hinders charity is the next consideration.

In the fourth chapter I argue that the money economy depends upon the gift economy, while simultaneously corrupting it. I begin by exposing the action theory of the Austrian school of economics—the school that boasts of Oresme as its predecessor—which understands all actions to be transactions. I then articulate the opposing Catholic vision of human action through the sub-tradition of Thomistic ontology, which understands being as gift. The liberal, Austrian ideology struggles to understand the nature of gift, but the Catholic understanding of exchange, I argue, is not limited by its theology of gift. Monetary relations, which are premised on exchange and reimbursement, are only possible within the larger reality of being as gift in which all materials and services are uniquely given and received, first by God, then by others. As a person's acts are a function of what he or she understands to be real—and his or her actions in turn concretize their conception of that perceived reality—I argue that what the frequent use of money begins to veil is the natural gift economy. The alienation that monetary relations create transforms the way that people within a society interact and think about interactions and exchanges and the fundamental reality of being as gift.

While money has profound design flaws—and can boast of few positive statements about it from the fathers and scholastics—I propose that it has a genuine redemption within the Catholic tradition. I argue that money, as a measure of commutative justice, is best categorized as an aspect of law—and that, like law, money is to be a guide toward virtue. Human law, as demonstrated from the Catholic tradition, is to lead to its fulfillment in virtue. Using the authority of thirteenth century scholastics,

Thomas Aquinas (d. 1274), Henry of Ghent (d. 1293), Peter John Olivi (d. 1298), and John Duns Scotus (d. 1308), I argue that the use of money must be in accord with the doctrine of the universal destination of goods. In this way, these scholastics say, the use of money in transactions must move toward gift. This, of course, does not circumvent the conclusion of Chapter 4: that money perverts the undergirding gift economy of reality—nor does it rebut Aquinas’ own argument that money takes the place for where friendship lacks. To address these critiques, I argue that money can be essential to safeguard one’s life of virtue from those who would otherwise disrespect it. While the universal destination of earthly goods directs us to use all things for the good of all, self-love takes precedence over our love of our neighbors precisely because providing for what we need to sustain a life of virtue is sustaining a life oriented to God—forgoing what is needed for virtue would be the same as forgoing our union with God. The turn begins with understanding ourselves as part of the common good—rather than external to it. And though money and law have extensive overlap, there is an essential difference: one demands a formal hierarchy while the other does not. And given that, as Aquinas says, “it is lawful for any private individual to do anything for the common good, provided it harm nobody,” equal and just exchange meets that qualification as it does not harm the other.³

In the final chapter of this thesis, I begin to apply the findings of the previous chapters as I turn to the concept of money as capital—funds allocated for productive purposes. I consider the first scholastic treatise that analyzes the concept, Peter John Olivi’s *Treatise on Contracts* (c.1295). His argument not only depends on understanding capital as operating upon the simple character of money, but also in consort with others in a way that we may summarize, as did Pope John Paul II, as a friendship between labor

³ STh., II-II q.64 a.3 ad 3

and capital. I consider the opposing views of Olivi's first major critic, Luis de Molina (d. 1600), as well as contemporary Catholic academics who defend it. I argue their claims not only fail to address the principles taught before them but are philosophically insolvent. This analysis allows me to apply both Olivi and Oresme's insights to the context of contemporary monetary reality, demonstrating basic injustices of the fiat system and central bank controlled interest rates in light of the traditional teachings on capital.

While this thesis resurrects and defends the neglected Catholic endorsement of a stable currency, I argue that returning to sound money is not first and foremost a policy proposal. Instead, following the tradition, the foundation for the proper use of money begins even before its creation. What institutions and artifacts a community collectively creates is an attempt to achieve its desires—and likewise reveals them. The evolution from ancient monetary structures to sound money to fiat currency demonstrates a change in desires and societal ends above anything else. And while it is certainly true that nearly any type of money can be used well—even participating in our redemption—underlying the various forms of money are dispositions that orient toward or away from a just social order.

In summation, this thesis is a genuine search to discover and synthesize what the Catholic Church has taught in regards to money. The first chapter features the conflicting narratives about money between the early church and the surrounding cultures—as well as Christian versus non-Christian narratives more plainly. This serves as a preface to then ask, what is it about the nature of money that renders it, almost uniquely, unwelcome to the Christian tradition? To answer this question of course demands understanding what the nature of money is. Modern answers to this question attempt a definition by genus, and then debate what the true essence of money is. Such an attempt, I argue, neglects the

semiotic reality of money, which offers a finality to direct all agents, objects, and operations within exchanges and instead merely distills money to a pure, and quasi-natural, function of mercantile interactions. Instead of recognizing that all types of money have a certain etiology and function, modern theorists attempt to define money by a single and universal genus without division. Oresme's analysis provides us with a different means of defining money—definition by cause, which is considered the more sure way of defining artifacts. His treatise makes a case for the optimal form of money, and demonstrates some of its vulnerabilities as an artifact governed by a king. Oresme's considerations are vital for this thesis insofar as it both situates the tradition's stance on the ideal form of money, which serves as the groundwork for further exploration, and he also demonstrates a method of analysis that begins with the human agent and social constructs. While Oresme considers money from a macro vantage, one may say, there is more to the artifact than architectonic considerations. As the larger Catholic tradition on political philosophy teaches, cultural forms derive from personal considerations. For the early church, these personal considerations were their primary concern and thus that is where we turn in the following chapters. Chapters 3 through 5 attempt an analysis of the inherent predicaments with money's design utilizing Oresme's own method, which places human virtue, creative capacity, and social ontology at the fore. Chapter 6 considers the nature of money qua capital as it begins to utilize both the conclusions of Oresme and pairs them with the arguments of chapters 3 through 5 to offer a preliminary exploration for how to analyze the modern monetary system.

Abbreviations

Arist. <i>Wlth</i>	Aristophanes, <i>Wealth</i>
Arist. <i>EN</i>	Aristotle, <i>Nicomachean Ethics</i>
Arist. <i>Meta</i>	Aristotle, <i>Metaphysics</i>
Aug., <i>De civ. Dei</i>	Augustine, <i>City of God</i>
Aug., <i>Ep.</i>	Augustine, <i>Letters</i>
Aug., <i>Lib. Arb.</i>	Augustine, <i>De libero arbitrio voluntatis</i>
Aug., <i>Serm.</i>	Augustine, <i>Sermons</i>
Bon. <i>AP</i>	Bonaventure, <i>Apologia pauperum</i>
CCC	<i>Catechism of the Catholic Church</i> , 2nd ed (1996)
Cic. <i>Nat. Deor.</i>	Cicero, <i>De natura deorum</i>
DLMBS	<i>Dictionary of Medieval Latin from British Sources</i>
Eus. <i>PE</i>	Eusebius, <i>Praeparatio evangelica</i>
Is. <i>Ant.</i>	Isocrates, <i>Antidosis</i>
Liv.	Livy
Ov. <i>Fast.</i>	Ovid, <i>Fasti</i>
Ov. <i>Meta</i>	Ovid, <i>Metamorphoses</i>
PG	<i>Patrologiae Cursus Completus. Series Graeca.</i>
PL	<i>Patrologiae Cursus Completus. Series Latina.</i>
Pl. <i>Crat.</i>	Plato, <i>Cratylus</i>
Pl. <i>Eut.</i>	Plato, <i>Euthyphro</i>
Pl. <i>Phdr.</i>	Plato, <i>Phaedrus</i>
Pl. <i>Pol.</i>	Plato, <i>Politicus</i>
Pl. <i>Rep.</i>	Plato, <i>Republic</i>
SCG	Thomas Aquinas, <i>Summa Contra Gentiles</i>
STh.	Thomas Aquinas, <i>Summa Theologica</i>
Theo., <i>El. Pm</i>	Theognis, <i>Elegiac Poem</i>

Introduction

The Bible tells a cyclical story of Israel becoming enslaved by surrounding nations—Egypt, Babylon, Assyria, Greece—and subsequently freed by divine acts of mercy. These occupations came, the biblical narrative tells us, when the sons of Israel, “do not obey the commands of the Lord God, but turn aside from the way which [He] command[s]” (Dt. 11:28). The common biblical notion that the foreign gods were a snare unto Israel is not only a religious statement, but also a sociological one. The tendency to worship other gods, the Wisdom of Solomon says,

became a hidden trap for mankind, because men, in bondage to misfortune or to royal authority, bestowed on objects of stone or wood the name that ought not to be shared. Afterward it was not enough for them to err about the knowledge of God, but they live in great strife due to ignorance and they call such great evils peace... for the worship of idols not to be named is the beginning and cause and end of every evil (Wis. Sol. 14:21–22, 27).

While the Bible makes clear that God actively punishes Israel in these cases, it also states that a real causal link exists between idolatry and social disruption. The text continues to list that the Israelites began to kill children, render their marriages impure, cause corruption, debauchery, and ultimately they become slaves. As soon as right worship is perverted, so is social peace. The pattern and order of society begins to change as a result of failing to follow God.

Bringing this biblical teaching into the modern world. Pope John Paul II wrote:

Man receives from God his essential dignity and with it the capacity to transcend every social order so as to move towards truth and goodness. But he is also conditioned by the social structure in which he lives, by the education he has received and by his environment. These elements can either help or hinder his living in accordance with the truth. The decisions which create a human environment can give rise to specific structures of sin which impede the full realization of those who are in any way oppressed by them.¹

Pope John Paul II teaches that such structures arise from both “Communism” and “a radical capitalist ideology.” According to Catholic theology, these false

¹ Pope John Paul II, *Centesimus annus* (Vatican City: Vatican Press, 1991), sec. 38

teachings about God imply something false about how people should live together, building up and reinforcing an “ideological apparatus” that begins to “hinder his living in accordance with the truth.”

The encyclical tradition since Leo XIII’s *Rerum novarum* (1891) has drawn special attention to the issues of economics in the modern age. The popes have identified numerous predicaments within the modern social order—such as the lack of widespread ownership, the prioritization of capital over labor, and the governing of society by finance.² But for all of their dynamic and insightful teachings on the nature of modern economics—which spans everything from pawnbrokers to unions—little has been said about money itself.³

Money is perhaps the foundational financial instrument. It is a social construct, much like private property, which enables the better economizing of productive and consumable goods and services. And yet, since Leo XIII, the magisterium of the Catholic Church has only mentioned it twice. In *Gaudium et spes*, the council fathers wrote: “Care should also be taken lest the economically weak countries unjustly suffer any loss from a change in the value of money.”⁴ Likewise, Pope John Paul II said that the Church, “presupposes [that the State offers] sure guarantees of individual freedom and private property, as well as a stable currency and efficient public services.”⁵ Neither document elaborates on these statements or reference the basis of this teaching in the tradition. Without a

² Pius XI, *Quadragesimo anno* (Vatican City: Vatican Press, 1931); John Paul II, *Laborem exercens* (Vatican City: Vatican Press, 1981); Benedict XVI, *Caritas in veritate* (Vatican City: Vatican Press, 2009).

³ John Paul II, *Laborem exercens* 20; Benedict XVI, *Caritas in veritate* 65.

⁴ Second Vatican Council, “*Gaudium et spes*, 7 December, 1965,” in *Vatican Council II: The Conciliar and Post Conciliar Documents*, ed. Austin Flannery (Collegeville, MN: Liturgical Press, 1975), sec. 70.

⁵ *Centesimus annus* 48.

clear understanding of money, Catholic social teaching limits itself immensely.

This thesis attempts to help fill the gap.

The first chapter attempts to stage the exploration of the rest of the thesis by considering the patristic vitriol against money—especially in light of the religious conviction surrounding them. Money, as a piece of technology, changes the environment in which it was created. In asking how money begins to reform the social order, I examine the debates surrounding the origins of money. Amidst the various and competing hypotheses, I argue that no definition of money can encompass all types of historical money and that there is a credible reason for this: the various forms of money arising in history have different etiologies and functions. The artifacts that a society produces are representations of its values. Money is not a natural substance that presents itself in a uniform manner in all places and times. I propose that a theology of money is needed, for it would seek to explain money's role in, or transformation of, society in its attempt to fulfill the common good. I briefly demonstrate that the question of which type of money is *simplex* or ideal for human communality has been insufficiently considered.

The major exception to this claim is the *De moneta* of Nicole Oresme (d. 1382), which I consider in Chapter 2. Oresme situates the analysis of money within the context of its use, demonstrating how changing the form of money profoundly alters the type of political economy one has. In particular, he admonished people from producing money whose value could not easily be recognized; abstractions ought to remain close to the reality they represent, lest they begin to veil it. Based upon these principles and others, Oresme advocated for a decentralized, commodity-backed money—or what he called *certa moneta*, sound money.

The question of the nature of sound money is ultimately a question of order, which is why I begin to develop Oresme’s thought with a metaphysical evaluation of commodity-backed, decentralized money in the following chapter. While Oresme has made a negative case against centralized currency as a tool of tyranny, his positive argument for decentralized commodity-money does not seem to address the concerns that the fathers and the scholastics had with the personal use of money. Thomas Aquinas, for instance, wrote, “Riches, once they are possessed, are certainly in themselves of a nature to hinder the perfection of charity, especially by enticing and distracting the mind.”⁶ In Chapter 3, I begin by examining the nature of decentralized commodity money to better understand why Aquinas would cast aspersions upon it—particularly asking what components of it “distract the mind”. I argue that money is a power relation between people in a community. Particularly, it is a consumable form of power in which its efficacy is consumed in its use. Following Aquinas, I argue that the use of money is grounded in its calculation of goods, as well as its exchangeability. The calculations have no logical grounding of comparison given that objects and services are incommensurable with monetary valuation as they pertain to different primary ontological categories. The exchange value of money has a quasi-transcendental character to it that abstracts from reality. This is the basis upon which Aquinas implies that money is matter without form, and, as such, it does not operate in accord with created reality. Aristotle had said that this dubious form of abstraction, however, seemed to work well enough. Aquinas agrees, except an evil arises—indeed, the root of all evil—when one allows money to become ubiquitous throughout society insofar as the false abstraction begins to be concretized in

⁶ STh., II-II q. 186 a. 3 ad 4: *Divitiae autem habitae per se quidem natae sunt perfectionem caritatis impedire, principaliter alliciendo animum et distrahendo*. All citations from the *Summa* are taken from translation of the English Dominicans unless otherwise stated.

reality through a universal mode. Through these evaluations, we begin to understand what Aquinas means by the idea that money distracts the mind. How that hinders charity is the next consideration.

In the fourth chapter I argue that the money economy depends upon the gift economy, while simultaneously corrupting it. I begin by exposing the action theory of the Austrian school of economics—the school that boasts of Oresme as its predecessor—which understands all actions to be transactions. I then articulate the opposing Catholic vision of human action through the sub-tradition of Thomistic ontology, which understands being as gift. The liberal, Austrian ideology struggles to understand the nature of gift, but the Catholic understanding of exchange, I argue, is not limited by its theology of gift. Monetary relations, which are premised on exchange and reimbursement, are only possible within the larger reality of being as gift in which all materials and services are uniquely given and received, first by God, then by others. As a person's acts are a function of what he or she understands to be real—and his or her actions in turn concretize their conception of that perceived reality—I argue that the frequent use of money begins to veil the natural gift economy. The alienation that monetary relations create transforms the way that people within a society interact and think about interactions and exchanges and the fundamental reality of being as gift.

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In the final chapter of this thesis, I turn to the concept of money as capital—assets allocated for productive purposes. I consider the first scholastic treatise that analyzes the concept, Peter John Olivi’s *Treatise on Contracts* (c.1295). His argument not only depends on understanding capital as operating upon the simple character of money, but also in consort with others in a way that we may summarize, as did Pope John Paul II, as a friendship between labor and capital. I consider the opposing views of Olivi’s first

⁷ STh., II-II q.64 a.3 ad 3

major critic, Luis de Molina (d.1600), as well as contemporary Catholic academics who defend it. I argue their claims not only fail to address the principles taught before them but are philosophically insolvent. This analysis allows me to apply both Olivi and Oresme's insights to the context of contemporary monetary reality, demonstrating basic injustices of the fiat system and central bank controlled interest rates in light of the traditional teachings on capital.

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Chapter 1 A Tradition against Money?

The Catholic tradition has rarely been warm toward money. The gospel accounts of Jesus record countless attacks on money and its infrastructure—a point that patristic authors and medieval scholastics often referenced. For instance, Christ declared it was harder for the rich to enter the kingdom of heaven than a camel to pass through the eye of a needle.⁸ He sent out his messengers without money, “so that,” Jerome comments, “the apostles would show that wealth was to be trodden upon.”⁹ Christ was never seen to have a coin on him, instead the traitor Judas was the one who kept the apostolic purse.¹⁰ As Augustine points out, the only occasions when Christ used physical force to usher in the kingdom of heaven were to cast out demons from the possessed and money changers from the temple.¹¹ In interpreting his own Parable of the Sowers, Christ declared that riches, not their use, choked out the word of God—something Gregory the Great and Bonaventure make special note of.¹² Famously, Christ referred to money as “Iniquitous Mammon,” which many doctors of the Church argue spoke of all money and not just misbegotten

⁸ Matt. 19:25; Mark 10:25; Luke 18:25

⁹ Matt. 10:9; Mark 6:8; Luke 9:3. Jerome, *Letter to Demetriades* PL [22:1118]

¹⁰ Matt. 17:27, 22:19; John 12:6. Bon., *AP*, VII.36, makes a point to note that “none of Christ’s disciples was lost except the one who carried a money bag.”

¹¹ Matt. 21:12–13; Mark 11:15–17; Luke 19:45–46; John 2:14–22. Augustine, *Retractions* 12.26:

In another place, when I said the following about our Lord Jesus Christ, ‘He did nothing by force but everything by persuasion and admonition,’ I forgot that he threw out the sellers and buyers from the temple by flogging them. What does this matter to us? How is it important if he also cast out demons from people against their will, not by persuasive words but by force of his power?

Originally found in Arthur A. Just, ed., *Luke* (Downers Grove, IL: InterVarsity Press, 2005), 301.

¹² Matt. 13:22; Mark 4:19; Luke 8:14: the latter reads: “τὸ δὲ εἰς τὰς ἀκάνθας πεσόν, οὗτοί εἰσιν οἱ ἀκούσαντες, καὶ ὑπὸ μεριμῶν καὶ πλοῦτου καὶ ἡδονῶν τοῦ βίου πορευόμενοι συμπνίγονται καὶ οὐ τελεσφοροῦσιν.” Gregory, Bonaventure cites Gregory (Homily 15.1 in GGHG cxli, 104) in Bon., *AP* VII. 25.

gains.¹³ Many, including Aquinas, have read his statements in Matthew 17 as meaning that children of God were exempt from paying taxes to the Kings of the Earth, that taxes were the signs of bondage under the Kingdom of Caesar.¹⁴ In declaring that one cannot serve God and Mammon, Jesus set the ways of the Kingdom of God in contrast to the ways of monetary order.¹⁵ Such ideas permeated Jesus' teaching—and Judas' betrayal of Christ for silver money is without a doubt a poignant rejection not only of Christ himself, but also the heart of his teaching.¹⁶

This biblical tradition, in turn, gave rise to a storm of the Church Fathers against money and business. Speaking of justification, Pope Clement (d. 99) writes: “If God paid the wages of the righteous immediately, we would soon be engaged in business (ἐμπορία), not godliness,”—demonstrating a difference between the divine and human economies.¹⁷ Speaking squarely of the human economy, Pope Leo I (d. 461) wrote, “it is difficult to prevent sin between buying and selling”—which became a standard citation in scholastic economic treatises.¹⁸ John Chrysostom often exhorted his congregants: “let us despise

¹³ Luke 16:9; Augustine writes: “Some misunderstanding this, seize upon the things of others, and so give something to the poor, and think that they are doing what is commanded. That interpretation must be corrected into, yea, must be utterly effaced from the tablets of your heart. Give alms of your righteous labours,” *Serm.* 113.2 (Rotelle edn). Thomas Aquinas records, in addition to Augustine, Ambrose and Basil making the same claim—and adds his own interpretation in *STh.*, II-II q. 32 a. 7 ad 1:

All riches are called riches of iniquity... according to Ambrose in his commentary on Lk. 16:9, “Make unto yourselves friends,” etc., “He calls mammon unjust, because it draws our affections by the various allurements of wealth.” Or, because “among the many ancestors whose property you inherit, there is one who took the property of others unjustly, although you know nothing about it,” as Basil says in a homily (*Hom. super Luc.* A, 5). Or, all riches are styled riches “of iniquity,” e.g., of “inequality,” because they are not distributed equally among all, one being in need, and another in affluence.

¹⁴ Matt. 17:27. All biblical translations taken from RSVC unless otherwise stated. See Thomas Aquinas' *Commentary on John* trans. by Fabian Larcher and James A. Weisheipl (Washington, DC: The Catholic University of America Press, 2010), 8.1201: “[The Pharisees] deny their slavery; thus they say, and ‘we have never been the slaves of anyone’ This reveals them as dull in mind and as liars. They are still guilty of lying because they were at that time paying taxes to the Romans.”

¹⁵ Matt. 6:24

¹⁶ Matt. 26:15; Mark 14:11; Luke 22:5.

¹⁷ 2 Clement 20:4 from *The Apostolic Fathers* ed. and trans. Michael W. Holmes (Grand Rapids: Baker Academic, 2007).

¹⁸ Leo I, Letter 167 PL [54:1206].

money”;¹⁹ which ultimately led him to forbid that “anybody should come into the church carrying money.”²⁰ Basil the Great asked, “Who is the father of lies? Who is the author of forgery? Who gave birth to perjury? Is it not money?”²¹ Even in the contemporary Catholic Church, members of certain religious orders take vows of poverty, meaning all must be shared in common. This life, the tradition teaches, is “an imitation of the life of the future” as the *glossa ordinaria* phrased it, “in which all is held in common.”²² Like marriage, one might point out, there will be no money in the Beatific Vision—and yet, unlike marriage, money receives almost no praise in this life as being an aid to arriving at the next. But why is this?

Almost nothing is said about the nature of money in conciliar statements. The most notable exception to this claim comes from the Council of Vienne in 1312. Determining a very special case of the Spiritual Franciscans,²³ canon 38, stated that monks ought never have money on their persons, declaring money to be “evil” (*malum*) or having “the appearance of evil,” (*quod speciem habet mali*).²⁴ Despite a relatively late declaration, such condemnations were de facto concretized in the first century as the early Christian leaders separated money from any cult activity. The Didache, a document dated

¹⁹ John Chrysostom, “Homily 27 on John” PG [59:160] (ἀργυρίου καταφρονοῦμεν) and “Homily 77 on John” PG [59:418] (καταφρονεῖν... χρημάτων)

²⁰ Jean Chrysostome: *Sur l’incompréhensibilité de Dieu*. J. Daniélou, A.-M. Malingrey, R. Flacelière (2000: réim-pr. de la 2e éd., 1970), 266.

²¹ Basil the Great, “Homily on the Rich” PG [31:297].

²² Venerable Bede in *Glossa Ordinaria apud Lyranum* at Acts 4:34: *vita tanto est foelicio, quanto flatun futuri seculi imitatur; ubi omnia communia quia Deus omnia est in omnibus.*

²³ There is a vast bibliography on this topic which includes J. Dawson, “Richard FitzRalph and the Fourteenth-Century Poverty Controversies” in *The Journal of Ecclesiastical History* 34.3 (1983): 315–344; D. Burr, *The Origin, Development, and Refinement of Medieval Religious Mendicancies* (Leiden: Brill, 2011), 207–306; David Burr, “The Correctorium Controversy and the Origins of the *Usus Pauper* Controversy” in *Speculum* 60.2 (1985): 331–342; Krijn Pansters, *Franciscan Virtue: Spiritual Growth and the Virtues in Franciscan Literature and Instruction of the Thirteenth Century* (Leiden: Brill, 2012); Carolly Erickson, “The Fourteenth-Century Franciscans and Their Critics: II. Poverty, Jurisdiction, and Internal Change” in *Franciscan Studies* 36 (1976): 108–147.

²⁴ Norman Tanner, *Ecumenical Councils*, 336–401. Tanner’s translation of the phrase *quod speciem habet mali* as “has the appearance of evil” may not capture the weight of this statement. *Species* often meant an “intermediate object of” or the “manifestation of” a thing, cf. *species (specia)*, DLMBS. While this line will remain slightly ambiguous, the council’s declaration is still illuminating—and resonates with the patristic admonitions against money we saw above.

around 60 AD and often attributed to the apostles, warns against simony, “the buying or selling of spiritual things,” saying: “If he asks for money, he is a false prophet... If anyone should say in the spirit, ‘Give me money’ or anything else, do not listen to him.”²⁵ The term itself stems from Peter’s retort to the magician Simon who wanted to purchase the apostle’s power.²⁶ Yet, this prohibition extended to all offices, all prayers, and all rituals. While the Catholic Church would grow immensely in its institutional wealth, it has continued to develop this doctrine (even if not always adhering to it). The 1996 Catechism of the Catholic Church, in discussing this passage, heightens the magnitude of the conversation in commenting: “Peter thus held to the words of Jesus: ‘You received without pay, give without pay.’”²⁷ In this citation of Matthew 10:8, the tradition seems to make a bifurcation between a divine economy and a monetary economy.

The importance of simony’s condemnation comes into sharp relief when juxtaposed with the ancient civilizations in which Christian revelation was received. For the Greeks and Romans, payments to the priests for sacrifices, purification, initiation into mysteries, and consultation of oracles were not only permissible and accepted but required and demanded.²⁸ Yet the priests were not the only ones to demand payment; even more demanding were the gods. Great sums of money were stored in the sanctuaries and were thought to be the property of the gods.²⁹ As a result, Greek and Roman sanctuaries

²⁵ “Didache” 11.6, 12 in *Apostolic Fathers*.

²⁶ Acts 8:18

²⁷ CCC 2121.

²⁸ A primer on this is Sitta von Reden, *Money in Classical Antiquity* (Cambridge: Cambridge University Press, 2010), 174–176. See also Vincent J. Rosivach, *The System of Public Sacrifice in Fourth-Century Athens* (Atlanta, GA: Scholars Press, 1994), 115. At p. 94 he refers to the sacrificial system as a “market-oriented industry.” Consider also, Aristotle’s *Economics* II (1347a10–14), which was probably written in the last quarter of the fourth century by a student of the Lyceum. Also, see T.R. Martin, “Why did the Greek Polis Originally Need Coins?” in *Historia* 45 (1996): 257–83; John Scheid, *An Introduction to Roman Religion* (Edinburgh: Edinburgh University Press, 2003), 145; Alla Semenova, “Would You Barter with God?” in *American Journal of Economics and Sociology* 70.2 (2011): 376–400, 384–5. To see the Church Fathers complain of it, consider Aug., *De civ. Dei*, 1.3; Eus. *PE*, 4.2.10–12 (Schaff editions).

²⁹ Consider Is, *Ant*, 232 as he speaks of taking money from Apollo in order to thwart a tyrant.

famously served as banks, where citizens could receive loans, store funds, and make withdrawals.³⁰ The Roman goddess Iuno Moneta, from which we derive our English word “money”, watched over the minting process, which was housed immediately next door to her own temple in the center of the Roman forum. As Moneta was both a goddess of war and money, she was the source of the Pax Romana, which was brought about by the might of Caesar’s army whose mint enabled him to pay his troops.³¹ Nearly all coins were impressed with religious symbols of the gods or divine emperors, which some have argued represented the presence of the divine emperor in the midst of all transactions.³²

Not only was money utilized in ritual but it was also personified. In the case of Iuno Moneta, this is clear—especially as she did not lend her name to money but money, *moneta*, lent its name to her.³³ The Greek poet Theognis once mused upon “Riches [Πλοῦτε], the fairest and most desirable of all the gods.”³⁴ The Roman lawyer and orator Cicero once stated that, “The sovereignty and power over the earth is the portion of a god, to whom we, as well as the Greeks, have given a name that denotes riches, in Latin *Dis*; in Greek, Πλούτων.”³⁵ Seemingly beyond the control of any one man, money moved with

³⁰ The Temple of Apollo became the imperial reserve and first bank for imperial Greece in the third century as did the Temple of Jupiter for imperial Rome in the first—both of which set the standard for the rest of the empires. See Thucydides, *The Peloponnesian War* ed. Henry Stuart Jones (Oxford: Clarendon Press, 1942), 2.13 ἐν τῇ ἀκροπόλει—and often for state spending. For instance, the money in the sanctuaries of Delphi and Olympia gives the Corinthians the hope of tempting away Athens’ foreign sailors (also Thucydides, 1.121, 143; cf. 4.118.3); also D. Harris, *The Treasures of the Parthenon and Erechtheion* (Oxford: Oxford University Press, 1995). Cf. Richard Seaford, *Money and the Early Greek Mind* (Cambridge: Cambridge University Press, 2004), 75–87, 95–101.

³¹ Liv, 6.20.14; Ov. *Fast.* 6.183. A.W. Hands, “Iuno Moneta” in *The Numismatic Chronicle* 10 (1910): 1–12 has aptly demonstrated—both from archaeology and from etymology—the intricate connection Moneta has with both money and war. But this is not unique: throughout Alexander’s Greece coining facilities were housed in temples.

³² See Reden, *Money in Classical Antiquity*, 156–185, and Devin Singh’s book *Divine Currency* (Stanford: Stanford University Press, 2018).

³³ See, Hands, “Iuno Moneta”.

³⁴ Theo., *El. Pm.*, 1117–1118 (Loeb edn.)

³⁵ Cic. *Nat. Deor.*, 2.66. It is important to point out that Dis/Pluto differed from Demeter/Ceres; while the latter was the god of the harvest and natural goods, the former watched over the artificial goods that held a demand over the society as a whole.

raw power to order the world, breed justice in exchange, and ritualize a proper orientation between men.

Classical literature evidences that the commercial relationship that money created was not exclusive to men. Often one finds reference to gift giving between men and gods, *charis*, in terms of commercial exchange. Countless inscriptions depict the tit-for-tat nature of sacrifice—the notion that I will do this for you because you have done something else for me, or in order that you will do something for me (what is often summarized in secondary literature as *do quia dedisti* or *do ut des*).³⁶ As Einzig wrote in 1966, “The practice of making sacrifices to deity was to a large extent a form of barter between man and the gods.”³⁷ This conflation between purchasing and sacrificial offering is brought to the fore in Plato’s *Euthyphro*, in which Socrates defines “holiness” as a “skill of bartering (ἐμπορικὴ τέχνη) between gods and men.”³⁸ Grieving friends would bury the dead with money to offer Charon for their loved one’s entrance into the underworld.³⁹ And Aristophanes’ *Wealth* depicts the human-divine interaction as a practical market transaction from the outset as Zeus is said to rule over the gods because he has the most silver—and people only sacrifice to him in the hope of receiving money from him. It is Zeus’ fortune that is the cause of man’s piety: he has a money-item that everyone desires.⁴⁰

³⁶ There is a growing body of literature in psychology that considers the human tendency to think of the gods as exchange partners, cf. Pascal Boyer, *Religion Explained* (New York: Perseus Books, 2001), especially 137–168, 198; Todd Tremlin *Minds and Gods* (Oxford: Oxford University Press, 2006), 107–142.

³⁷ Paul Einzig, *Primitive Money* 2nd ed. (Oxford: Pergamon Press, 1966), 371.

³⁸ Pl. *Euthyph.*, 14b–e; cf. Pl. *Pol.*, 290c–d. Notice that the same term for trading is used by St. Clement in the above quotation.

³⁹ In fact, the underworld, or Hades, was, in ancient mythology, thought to be interchangeable with Plutos. See for instance, Homer, *Iliad* 9.158–159; Strabo 3.2.9 (Loeb edn); Pl, *Crat.* 403a.

⁴⁰ Arist, *Wlth.*, 130–133. This insight does not diminish the idea that some people felt genuine gratitude to the gods. Just as in a financial transaction, one can have a real, even profound, felt-sense of gratitude, a worshiper could have such a disposition toward the gods. But this is not the usual orientation expressed in the literature. See Theodora Jim, *Sharing with the Gods* (Oxford: Oxford University Press, 2014).

Far from being unique to the classical societies of Greece and Rome, the veneration of money as a divine object seems to have spanned the entire world. The Yap stones are a prime example for illuminating the union; when explorers of the early 20th century made it to this small Micronesian island, they found the natives claiming that their founders were half man, half divine and when they died, they turned into *fei*, large stones, which they used as their money.⁴¹ The Iroquois highly valued *wampum*, their money, in part, because it was necessary for the funeral pyres of their chieftains. The list does not stop there. Einzig records:

In Angola the monetary use of a certain type of cotton cloth is known to have originated through its religious use as shrouds at funerals. In the Solomons the name of one type of shell-money is *rongo* which means “sacred”. The shell-money of the Gazelle Peninsula in New Britain is called *tambu* which is a variant of the well-known term taboo, meaning “sacred” or “forbidden for religious reasons”. Likewise, in Fiji the sperm whale’s teeth serving as currency are called *tambua*. On the Solomons it is believed that the spirits of ancestors dwell on the packets of 100 fathoms of shell-money deposited in sleeping houses. On Rossel certain of the high-valued units of the shell-money can only be handled in a crouching position. On parts of the Philippines the storehouse where rice money is kept is considered a sacred place and no woman is allowed to enter. Likewise, in many African communities where cattle serve as a currency, women are not allowed to touch the beasts during periods of menstruation or pregnancy. In Uganda much of the tribal cattle that serves as a currency is believed to belong to a god who exercises his proprietary rights through his priests. It also seems a reasonable assumption that cowries and precious metals were worn as amulets long before they were used as currencies, and their subsequent adoption as a store of value, means of unilateral payment and medium of exchange was in many instances largely influenced by their use as charms which created a steady demand for them.⁴²

From this list we see the importance of money within religious ritual, the dignity of certain objects because of their association with the divine, the exchangeability of certain objects for certain gifts in sacrifice, and the fees for performers of religious rites (e.g. priests). Christianity did not teach the same associations but rather explicitly condemned

⁴¹ William Henry Furness, *The Island of Stone Money* (London: J.B. Lippincott Company, 1910), 92–107; Cora L.C. Gilliland, *The Stone Money of Yap* (Washington, DC: Smithsonian Institution, 1975), 4, 8, 9, 11–12, 19–20.

⁴² Einzig, *Primitive Money*, 373.

them. This, then, begs the question: is there something intrinsic to money that lends itself to what Christians refer to as pagan social orders? Does the nature of money oppose what the Catholic Church teaches about God and his Church? It seems that Thomas Aquinas suggested as much when he wrote: “Riches, once they are possessed, are certainly in themselves of a nature (*per se quidem nature sunt*) to hinder the perfection of charity, especially by enticing and distracting the mind.”⁴³ But is that actually the case?

Money as Technology

It ought to be said that money, as an artifact, cannot in and of itself be good or bad, but rather its use. That, however, does get around the fact that all tools affect the pattern and order of the society they are in. In Plato’s *Phaedrus*, Socrates tells his friend a story of the god Theuth, who was “the inventor of many arts, such as arithmetic and calculation and geometry and astronomy and draughts and dice, but his great discovery was the use of letters.” At that time, “the god Thamus was the king of the whole country of Egypt,” the pharaoh who ruled in Thebes. Theuth approached Thamus hoping that he would adopt some of his inventions:

Theuth showed his inventions, desiring that the other Egyptians might be allowed to have the benefit of them; he enumerated them, and Thamus enquired about their several uses, and praised some of them and censured others, as he approved or disapproved of them. It would take a long time to repeat all that Thamus said to Theuth in praise or blame of the various arts. But when they came to letters, “This,” said Theuth, “will make the Egyptians wiser and give them better memories; it is a specific both for the memory and for the wit.” Thamus replied: “O most ingenious Theuth, the parent or inventor of an art is not always the best judge of the utility or inutility of his own inventions to the users of them. And in this instance, you who are the father of letters, from a paternal love of your own children have been led to attribute to them a quality which they cannot have; for this discovery of yours will create forgetfulness in the learners’ souls, because they will not use their memories; they will trust to the external written characters and not remember of themselves. The specific which you have discovered is an aid not to memory, but to reminiscence, and you give your disciples not truth, but only

⁴³ STh., II-II q. 186 a. 3 ad 4.

the semblance of truth; they will be hearers of many things and will have learned nothing; they will appear to be omniscient and will generally know nothing; they will be tiresome company, having the show of wisdom without the reality.”⁴⁴

This classic story illuminates the implications of new technologies and it is an appropriate story with which to begin our own explorations. While Thamus may duly be labeled an ancient luddite, his insights demonstrate how new technologies, even something as banal as writing, begins to transform a society. Technology is the study of human techniques; what the field focuses on is the alteration or the creation of a new device—and the subsequent change of human technique resulting from it.⁴⁵ Because humanity is the focus, every new invention reforms the habits and exposures of a people—and very often for the better. In adopting a new tool, a society could be enhancing the dignity and integrity of their culture; but in any case, a new technology creates a new human ecology. This ancient insight has been captured by a host of modern theorists: Marx wrote that, “Technology discloses man’s mode of dealing with nature” and creates the “conditions of intercourse” by which we relate to each other;⁴⁶ Heidegger finds in technology a “destining” or “sending forth” of Being, that gives form to the world;⁴⁷ and, Jacques Ellul argued that, “every culture must be considered as a whole. The transformation of a given element through the effect of technique produces shocks in all areas.”⁴⁸ All technologies change the landscape in which they are introduced.

Money is often a neglected tool. In *Technopoly*, a tour de force on the modern world and its captivity to technology, Neil Postman does not once mention the development of the banking industry, the rise of fiat currency, or the novel speculative

⁴⁴ Pl, *Phdr.* 274b–278d

⁴⁵ This is the fundamental argument of Marshall McLuhan’s *The Medium is the Message* (Madera, CA: Gingko Press, 1967), as he defines media as “electric technology.”

⁴⁶ Karl Marx, *Capital* vol 1 (New York: the Modern Library, 1906), 372.

⁴⁷ Martin Heidegger, *The Question Concerning Technology* trans. William Lovitt (London: Garland Publishing, 1970), 24.

⁴⁸ Jacques Ellul, *The Technological Society* trans. John Wilkinson (New York: Vintage Books, 1964), 122.

financial techniques that now dominate our lives.⁴⁹ Money has so saturated our world that it is hard to imagine what a culture before money ever looked like. Economists often try to do this, telling us to “imagine” what that would be like, but we often end up thinking of worlds that operate the same way as with money, just less efficiently; in other words, we believe that money did not fundamentally change the order of life.⁵⁰ I am here referring to the idea that a society prior to money ran by barter—an idea made famous by none other than the father of capitalism himself.

The Story of Money’s Origins

Adam Smith is often interpreted as believing the market might be natural insofar as it reflects or grows out of a core feature of human nature, from man’s “propensity to truck, barter, and exchange.”⁵¹ Within this standard interpretation, people had always been economic agents, and, having unlimited wants and limited resources, discovered that if they concentrated in making a single product, they could be more efficient in creating that one commodity and trading it for other goods than trying to supply all their necessities and desires for themselves. Thus, the first communities, Smith reasoned, must have divided labor, and each member bartered with his surplus goods for the other goods he desired.⁵² If someone could manage to find a suitable trading partner—a person who wanted what he had and who had what he wanted—then all was well. But if someone did

⁴⁹ Neil Postman, *Technopoly* (New York: Vintage Books, 1992).

⁵⁰ David Graeber wrote well on this point in his *Debt: The First 5,000 Years* (Brooklyn: Melville House, 2011), 22–23.

⁵¹ Adam Smith, *Wealth of Nations* (Carmel, IN: Liberty Fund, 1981), I.2.1; 1.2.3; 1.2.4. For discussions of Smith and natural sociability, see L. Hill, “Adam Smith’s Cosmopolitanism: The Expanding Circles of Commercial Strangership,” in *History of Political Thought* 31.3 (2010): 449–473, and E. Rothschild, “Adam Smith in the British Empire” in Sankar Muthu ed. *Empire and Modern Political Thought* (Cambridge: Cambridge University Press, 2012), 184–198. An opposing view will be discussed below.

⁵² The famous quotation ascribed to Smith is actually derivative of a line from Lionel Robbins in his *An Essay on the Nature and Significance of Economic Science* (London: MacMillan, 1945 [1932]), 32: “Our ends are various and that most of the scarce means at our disposal are capable of alternative application” which is an extrapolation of this idea in Smith’s third chapter of the *Wealth of Nations*.

not stumble into this “double coincidence of wants”—say, he wanted his neighbor’s apples, but his neighbor did not want his milk—then he was at an impasse to procure what he desired.⁵³ To circumvent the issue of limited wants, Smith believed that every prudent man,

must naturally have endeavored to manage his affairs in such a manner, as to have at all times by him, besides the peculiar produce of his own industry, a certain quantity of some one commodity or other, such as he imagined that few people would be likely to refuse in exchange for the produce of their industry.⁵⁴

This undeniable commodity was the birth of money—a singular good that served as an exchange lubricant. For Smith, this “one commodity”—primitive money—was discovered by reasonable or “prudent” people. He provided some preliminary findings from early anthropological explorations to defend his theory:

In the rude ages of society, cattle are said to have been the common instrument of commerce; and, though they must have been a most inconvenient one, yet in old times we find things were frequently valued according to the number of cattle which had been given in exchange for them. The armor of Diomedes, says Homer, cost only nine oxen; but that of Glaucus cost an hundred oxen. Salt is said to be the common instrument of commerce and exchanges in Abyssinia; a species of shells in some parts of the coast of India; dried cod at Newfoundland; tobacco in Virginia; sugar in some of our West India colonies; hides or dressed leather in some other countries; and there is at this day a village in Scotland where it is not uncommon, I am told, for a workman to carry nails instead of money to the baker’s shop or the alehouse.⁵⁵

These examples proved very convincing because they answered a major question of why people would create money: to lower transaction costs and allow for a greater division of labor. This, for Smith, was the end of money: merely to do better what was already being done.

⁵³ This created a second, interconnected problem: if someone did not want what his neighbor had, then his neighbor had to create something that he wanted. Thus, he could not be too creative or unique in what goods he produced. This meant that the market size limited the division of labor and the number of commodities produced. Smith, however, does not identify this as a direct reason for the creation of money. Smith, *Wealth of Nations* I.3

⁵⁴ *Ibid.*, I.4.2.

⁵⁵ Smith, *Wealth of Nations* I.4.2.

The Austrian school of economics, popularly known for its defense of the gold standard, offered considerable nuance to Smith’s thought. Carl Menger, long-known as the father of this economic school, argued that people do not have a propensity to truck and barter, and that the need for money must have emerged from another source, though one equally fundamental to human dispositions. Menger suggested: “Money is not the product of an agreement on the part of economizing men nor the product of legislative acts. No one invented it.”⁵⁶ Economic science, Menger argued, is so inherent to the world that the primary financial instrument, money, “is a natural product of human economy,” only to be discovered but not created.⁵⁷ For him, money gradually evolved from a commodity, which the market increasingly came to understand as more liquid than the rest. This was an innate part of the market mechanism and not a strategic invention. People do not have the propensity to barter their goods, he thought, until the “requirements for and available quantities of these goods [diminish].”⁵⁸ In other words, only when scarcity came into the picture did people begin to trade, “for men are communists whenever possible under existing natural conditions”—a position that was not handed down in the later disciples of the school.⁵⁹

Importantly, Menger was intent to define the nature of money as a commodity—and nothing more. He defined commodities “as (economic) goods of any kind that are intended for sale.”⁶⁰ Money, he argued, is intended for sale—and not, necessarily, anything more than that. He cites Smith’s same list of commodity goods—cattle, shells, cod, etc—to bolster his logical argument with historical facts.⁶¹ At his time, however,

⁵⁶ Carl Menger, *Principle of Economics*, trans. James Dingwall and Bert F. Hoselitz (Albany: Ludwig von Mises Institute, 1976), 262.

⁵⁷ *Ibid.*

⁵⁸ *Ibid.*, 101.

⁵⁹ *Ibid.*, 100. See Chapter 4 for more details on this.

⁶⁰ *Ibid.*, 239.

⁶¹ *Ibid.*, 271.

certain alternative theories of the nature of money were arising that defined money's nature as also including a unit of account and a store of value. Menger offered a simple rebuttal to this, stating:

One can very easily imagine cases in which a commodity that does not have money character nevertheless serves as the 'measure of price,'... The function of serving as a measure of price is therefore not necessarily an attribute of commodities that have attained money character... [therefore] it is still less a prerequisite or cause of a commodity becoming money."⁶²

He falls back upon an essentialist methodology to deny that money's nature is a unit of account, arguing that money does not have to be the standard unit of account and therefore being a unit of account is not natural to money. He similarly argues against money as a store of value. Here it seems that Menger is challenging both Thomas Hobbes and John Locke's understanding of money.

Hobbes conceived of man's need for conserving perishable goods that they did not intend to use for immediate consumption as the necessary condition for money's creation. He argued that this end can be achieved by transformation ("concoctio") of the perishable goods into metallic money.⁶³ Locke argues similarly, stating that man in the state of nature was properly stealing from others if he gathered more than he consumed before it perished. Thus, primitive man transformed his goods into imperishable metal.⁶⁴ In both accounts money's immediate teleology was a means of storage. But this, too, was a "misconception of the true nature of money," according to Menger. "Although metallic money, because of its durability and low cost of preservation, is doubtless suitable for this purpose also, it is nevertheless clear that other commodities are still better suited for it...

⁶² Ibid., 278.

⁶³ Thomas Hobbes, *Leviathan*, ed. Richard Truck (Cambridge: Cambridge University Press, 1996), 133.

⁶⁴ John Lock, *Two Treatises of Government*, ed. Peter Laslett (Cambridge: Cambridge University Press, 1988), IV.364–365 and 139ff.

they ordinarily serve for purposes of circulation, but not for the preservation of ‘values.’”⁶⁵

The Austrian School, at least the strain following Ludwig von Mises, developed away from Menger’s idea of the state of nature, instead returning to a Smithian (one may rightly say Hobbesian) interpretation.⁶⁶ Mises recognized that this anthropology was more consistent with the claim that man’s natural propensity was to barter rather than to share, to be an individual rather than a communal being.⁶⁷ Murray Rothbard, a student of Mises, adequately summarized his understanding of the transition from a pre-monetary economy to a monetary economy as follows:

On that day, gold was demanded partly because it has a preexisting purchasing power as a money, or rather as a medium of exchange, on the first day. But what of that first day? On that day, the demand for gold again depended on the fact that gold had a previous purchasing power, and so we push the analysis back to the last day of barter. The demand for gold on the last day of barter was purely a consumption use and had no historical component referring to any previous day; for under barter, every commodity was demanded purely for its current consumption use, and gold was no different.⁶⁸

Again we see money as a natural outgrowth of human activity. Perhaps at this point a clarification could be helpful: The concept of “nature” is a confusing term as it has a few meanings. The first refers to the environment. The second is human nature, which is categorized by real potentials in our souls that are actualized in our actions. The third is spontaneous nature, or what has been termed “generics”.⁶⁹ Things that are spontaneous

⁶⁵ Menger, *Principles of Economics*, 279.

⁶⁶ Consider, for instance, Mises’ claim that “the characteristic mark of the ‘state of nature’ is irreconcilable conflict.” Ludwig von Mises, *Human Action*, fourth edition (San Francisco: Fox and Wilkes, 1963[1949]), 673.

⁶⁷ Whether the position is itself consistent is a different matter altogether.

⁶⁸ Murray Rothbard, “The Austrian Theory of Money” in *Economic Controversies* (Auburn, AL: Von Mises Institute, 2011), 685–708, 693.

⁶⁹ Discovering something that is compatible with human nature, however, does not entail that it aligns with a proper teleology. In other words, just because something is spontaneous, and thus an uncoerced activation of human potential, does not imply that is a proper fulfillment of human nature. This requires a knowledge of what God has imposed and commanded; within Catholic dogma, knowledge of the proper activation and fulfillment of the human soul requires revelation. A prime example of this is fornication. This is a spontaneous actualization of a human potential—but one that revelation condemns in order to clarify the fulfillment of human nature in love.

come from man in an uncontrived and unforced manner. Perhaps the premier example of this is private property—it is not an absolute phenomenon nor something (at least initially) coerced or thrust upon a people. Menger claimed that money falls into this third category when he wrote: “Money is not the product of an agreement on the part of economizing men nor the product of legislative acts. No one invented it.”⁷⁰ From his standpoint, money is an uncoerced, unplanned, and unstructured invention. As a result, it has a prima facie claim to be in accord with human nature.

Examples of what Smith, Menger, and Mises describe certainly do arise in the past. Consider the narrative of Abraham trading 400 shekels of silver to Ephron the Hittite in exchange for his land.⁷¹ Or to take another example, W. F. Leemans records an inscription about a merchant during the reign of Rim-Sin, a third millennium BC king of Babylon:

Lu-Mešlamtaē and Nigsisanabsa have borrowed from Ur-Nimmar 2 *minas* of silver, 5 *kur* of sesame oil, 30 garments, for an expedition to Dilmun to buy copper there. On the safe return of the expedition, the creditor will not make a claim for any commercial losses. The debtors have mutually agreed to satisfy Ur-Nimmar with 4 *minas* of copper for each shekel of silver as a just price; this they have sworn before the king.⁷²

Important to notice is that the silver is named alongside other goods, oil and garments—for the purpose of acquiring another useful metal: copper.⁷³ This inscription, at first, seems to be a perfect defense of the commodity theorists—these intellectuals who believe that money arose out of a desired object already in circulation. Of course, this is not a clear look at silver’s transition from a useful commodity to a medium of exchange;

⁷⁰ Menger, *Principles of Economics*, 262.

⁷¹ Gen. 23:16.

⁷² W. F. Leemans, *Studia et documenta ad iura orientis antiqui pertinentia VI* (Leiden: Brill 1960), 36. Found in David Abulafia, *The Boundless Sea* (New York: Oxford University Press, 2019), 59.

⁷³ There is no doubt that merchants (and pirates) were using money as a medium of exchange for years, it is difficult to know the cause for their search of metals; [Strabo’s *Geography* is constantly referring to the search for metals. See III.2 and X.3, for instance.] Certainly the use of certain metals, such as iron and copper, for warfare was essential for kingdoms, but metals such as gold and silver do not have the same use for the military industry. s.

neither is it an example of a unit of account or store of value. The silver could be a valuable commodity. Though the king does make an appearance in the contract—as the third-party enforcer of the legal agreement—he does not stipulate what the money is.⁷⁴ Smith speculated that it was only after the community selected the money item that the governing authorities began to standardize the monetary economy by weighing, minting, and marking coinage to regulate the nascent market. According to this inscription—and many like it—Smith seems to be correct. But in the past century this story has been challenged.

Credit Theorists

About the same time that Mises published his *Theory of Money and Credit*, British diplomat and economist A. Mitchell Innes began to question the commodity theory of money. Beginning with Smith's list of examples of primitive money—oxen, salt, shells, cod, tobacco, sugar, hides, and nails—Innes challenged that any of these were ever used as media of exchange. He, and others, demonstrated that they served as a base unit of account and never as media of exchange. By that I mean that these were valuative standards by which to ensure an even trade but they were never handed over in exchanges. For example, if Diomedes and Glaucus were to trade their armor, as they did, they would want to ensure that the exchange was fair. In the specific example, when Diomedes and Glaucus exchanged their gifts, Homer comments on Glaucus' folly in giving golden armor worth a hundred oxen for brazen armor worth no more than nine. However, the value of the armor was noted in cattle but they were not traded for in cattle.

Similarly, in the wrestling match between Ulysses and Ajax at the funeral games of

⁷⁴ This in no way harms Mises own theory, specifically because he was a self-proclaimed Hobbesian—see Chap 5 for more on this.

Patroclus, the winner's award was a great bronze tripod valued at twelve oxen, while the loser got a slave "skilled in many arts" worth four oxen. Of course, no cattle were actually traded; there was no "inconvenience" of moving cattle as Smith said. Nothing is said about the quality of ox—its age, size, or health—only the quantity.⁷⁵ It could be that the oxen, etc. emerged as media of exchange before they became units of account, but Smith did not have access to anthropological studies to resolve this issue.

As monetary research continued, Innes, writing against the Smithian commodity thesis in 1913, addressed the example of the cod in Newfoundland.

In the early days of the Newfoundland fishing industry there was no permanent European population; the fishers went there for the fishing season only, and those who were not fishers were traders who bought the dried fish and sold to the fishers their daily supplies. The latter sold their catch to the traders at the market price in pounds, shillings and pence, and obtained in return a credit on their books, with which they paid for their supplies. Balances due by the traders were paid for by drafts on England or France. A moment's reflection shows that a staple commodity could not be used as money, because ex hypothesis, the medium of exchange is equally receivable by all members of the community. Thus, if the fishers paid for their supplies in cod, the traders would equally have to pay for their cod in cod, an obvious absurdity.⁷⁶

Innes criticized Smith's theory, both historically as well as logically. The traders utilized British currency, not cod for these international trades. While we are given no information about internal trade, such as between the fishermen and the traders, there is a clear logical inconsistency with Smith's reasoning: they could not develop a currency based upon trading cod in each transaction lest they even buy their fish in fish. Rather, it seems that the cod were like Greece's ox: it was not a medium of exchange but a unit of account. Though each and every one of Smith's examples were ultimately disproved, his thesis carried on, perhaps because it provided a convincing teleology of money.

⁷⁵ This point is made by Philip Grierson, *The Origins of Money* (London: Athlone Press, 1977), 9–10.

⁷⁶ A. Mitchell Innes, "What is Money?" in *The Banking Law Journal* May (1913): 377–408, 378.

Smith received criticism not only for his economic history but also for his anthropology. One of the first anthropological examinations of a pre-monetary society was Lewis Henry Morgan's analysis of the Iroquois Native Americans. In *The Wealth of Nations*, Smith had speculated that primitive societies of hunters and gatherers—like the Iroquois—had divided labor and each member of the society would concentrate in a specific line of production. Smith deduced from the idea of the division of labor that people would then haggle for the products they did not have with the ones they did, and that was the birth of the barter economy.⁷⁷ While Morgan, and later Stites (writing in 1904), did note occasions of barter between native tribes, no bartering existed *within* a tribe.⁷⁸ Instead, the Iroquois would divide labor by gender and a matron of each longhouse—in which multiple families would live together and store goods—would divide the food and duties of the community. They had no medium of exchange, only work and reward based on communal subsistence and sharing. Ownership was common; work was divided; and when trading between clans did occur, it was predominantly a gift exchange—one good for another without haggling. It is interesting to note that Morgan believed this was due to the fact that the “desire for individual accumulation had not been aroused in their minds.”⁷⁹ Though certainly not a scientific conclusion, Morgan's point reflects an important distinction in his mind between the mentality of a barter economy

⁷⁷ *Wealth of Nations*, I.2–3.

⁷⁸ Cf Chap. 3 “Communism in Living” in Lewis Henry Morgan, *House and House-life of the American Aborigines* (Washington: Government Printing Office, 1881), 63–78. This same point has been identified for the Homeric societies as well: “In [Homeric] epic, sale is by definition an exchange between strangers. As Finley observed, not once is there a sale transaction which involves either two Greeks or two Trojans. This is supported by the semantic field of the word *pernêmi* and its derivatives *pratêr* and *prasis*. In all its occurrences *pernêmi* denotes transactions abroad; and it always describes the purchase or ransom of a captive, (von Reden [1995] 2003: 67). Similarly, Grierson, 1977, 27 writes: “Virtually the only buying and selling in Homer, apart from jewelry and similar foreign luxuries, is that of slaves, and *pernêmi*, the early word for selling, seems to be confined to the selling of captives from abroad, so that scholars have doubted if it had any wider sense at all.”

⁷⁹ *Ibid.*, 63.

and that of a “communistic” one—a selfish mindset versus a selfless one. Smith’s state of nature—one that assumed a fundamental isolation and enmity—thus becomes suspect.

Certainly there are objections to this distinction. Pierre Bourdieu has made the case that gift-economies are not wholly selfless societies of free-giving. For instance, when one gives a gift that the recipient could never repay, the latter offers fidelity to the former. Bourdieu writes:

Until he has given in return, the receiver is ‘obliged’, expected to show his gratitude towards his benefactor, or, at least, to have regard for him, to refrain from using against him all the weapons he otherwise might, to pull his punches, lest he be accused of ingratitude and stand condemned by “what people say,” which is what gives his actions their social meaning. The gift would ultimately lead to the power of one party exploiting the work of another.⁸⁰

This notion was not merely argued theoretically, but also anthropologically. Not many years after Morgan, some discovered this phenomenon among the Chinook tribes. The “Potlatch” was uncovered to be competitive gift exchange. Glyn Davies records:

One main purpose of these exchange ceremonies was to validate the social ranking of the leading participants. A person’s prestige depended largely on his power to influence others through the impressive size of the gifts offered, and, since the debts carried interest, the ‘giver’ rose in the eyes of the community to be an envied creditor, indeed a person of considerable standing.⁸¹

In this case, a gift was no sacrifice on the part of the giver but a means for him to expand his potency.⁸² These gifts created social power. To allow a person to give gifts to the entire society would be to offer a gateway to imperial authority; the fidelity to the individual citizen could eventually lead to central power.⁸³

⁸⁰ Pierre Bourdieu, *Outline of the Theory of Practice* (Cambridge: Cambridge University Press, 1977), 6.

⁸¹ Glyn Davies, *A History of Money* (Cardiff: University of Wales Press, 1994), 11.

⁸² Their anthropological insights demonstrate strong explanatory power of the pride an Athenian citizen had of being selected to pay for the *leitourgia* each year—an expensive tax used to build war ships or a tetralogy of plays that would lift his name to fame. Similarly, the Roman Empire put a limitation on its citizens in funding the circuses for the same reason. Cf. P.E. Easterling, “A Show for Dionysus” in *The Cambridge Companion to Greek Tragedy*, ed. P.E. Easterling (Cambridge: Cambridge University Press, 1997), 36–53; and Peter Brown, *Through the Eye of the Needle* (Princeton: Princeton University Press, 2012), chapter 6.

⁸³ Christ even speaks of this in the gospels when speaking of the master who waived his servants debts: “Which one, then, will love him more?” “I suppose the one who was forgiven more, Simon replied. “You have judged correctly, Jesus said” (Lk 9:42-43).

There is a clear difference between this notion and that set forth by the liberal founders Hobbes, Locke, and Smith. Particularly, this finding reveals that, when a rise in power first occurs, it does so within a personalized modality. Haggling and bartering do not occur precisely because the members within the hierarchy live in communion with one another; they were not atomized individuals emerging from the forest struggling to live with others. The sharing that occurs is not tit-for-tat, exchange based relations; rather, they reveal that exchange was based upon personal obligation to another. From a felt-sense of debt and the reality of power structures emerged a reform in the social order of villages.

While Morgan's observations may have missed certain facts regarding the real power-dynamics of internal gift-giving, he rightly observes that the social order is predicated upon a sense of personalized debt. But there is still the matter of external trade with other tribes. Though the Iroquois' economy was guided by divided labor, shared goods, and gift giving, they did still utilize barter. Stites says, "From time immemorial the Iroquois and Hurons had probably bartered their surplus corn and manufactures for the skins and birch-bark canoes offered them by the non-agricultural nomads of the North."⁸⁴ They traded pelts, arms, jasper, white quartz, chalcedony, and, most famously, wampum. Wampum are polished shell beads that the various tribes used in exchange. It was, for the Iroquois, not merely ornamentation but the measure of wealth.⁸⁵ Numerous scholars from the time of Lewis and Stites and still today believe wampum was a money equivalent. Despite the fact that it never circulated as modern currency does, it undeniably served as a medium of exchange. But this medium seldom, if ever, was traded within a single tribe.

⁸⁴ Sara Henry Stites, *Economics of the Iroquois* (Lancaster: New Era Printing, 1905), 79.

⁸⁵ Stites, *Iroquois*, 68–9.

This is not unique to the Iroquois: as David Graeber pointed out, the Kula tribe in East New Guinea,⁸⁶ Nambikwara of Brazil,⁸⁷ and the Gunwinggu people in West Arnhem in Australia are just like it. They engaged in what has been called a gift economy with no internal barter.⁸⁸ Anthropologists define barter to be a form of exchange with no established measures of weight and volume underlying the trade. Each transaction occurs unregulated and independent of any other and is ultimately determined by both trading persons or parties. The numismatist and medievalist Philip Grierson points out that, “the parties concerned in any [barter] transaction are comparing their individual and immediate needs, not values in the abstract, and can balance these out against the particular merits or defects of the goods involved.”⁸⁹ This leads one to ask how a barter economy could ever lead to money, which, as a medium of exchange, is used precisely to value other items. The question seems not to have an answer, for, as Elon Heymans has summarized, “A serious problem is that no empirical evidence has even been presented, not from the historical nor the ethnographic record, for the existence of such a society painted by Smith and others, with optimal commoditisation, but no money, and where barter is the dominant mode of exchange.”⁹⁰ Caroline Humphrey has said, “No example of a barter economy, pure and simple, has ever been described, let alone the emergence of money from it; all available ethnography suggests that there never has been such a thing.”⁹¹ Graeber famously explained Humphrey’s claim: “this hardly means that barter does not exist—or even that it’s never practiced by the sort of people that Smith would

⁸⁶ B. Malinowski, “Kula; the Circulating Exchange of Valuables in the Archipelagoes of Eastern New Guinea” in *Man* 20 (1920): 97–105.

⁸⁷ Cf. Graeber, *Debt*, 29–30; Jean-Michel Servet, “Primitive Order and Archaic Trade Part II” in *Economy and Society* 2.1 (1982): 22–59.

⁸⁸ Cf. Graeber, *Debt*, 30–34; 1963. Ronald M. Berndt, “Ceremonial Exchange in Western Arnhem Land” in *Southwestern Journal of Anthropology* 7.2 (1951): 156–176.

⁸⁹ Grierson, *The Origins of Money*, 11.

⁹⁰ Elon Heymans, *The Origins of Money in the Iron Age Mediterranean World* (Cambridge: Cambridge University Press, 2021), 12.

⁹¹ Caroline Humphrey, “Barter and Economic Disintegration” *Man* 20 (1985): 48–72, 48.

refer to as ‘savages.’ It just means that it’s almost never employed, as Smith imagined, *between fellow villagers.*”⁹² As some of this information was coming out over a century ago, Innes and others began to construct a new theory of the emergence of money that seemed to account for more data. Rather than emerging as a liquid commodity, money seemed to arise as a unit of account tracking personal debt rather than a medium of exchange that emerged out of barter. As a result, they began to doubt whether or not money was a commodity at all.⁹³ But, at the very least, they proved that money was not inevitable technology of human society.

Innes, who is now often praised as the founder of the “credit theory” of money, summarized his idea as follows:

A sale and purchase is the exchange of a commodity for credit. From this main theory springs the sub-theory that the value of credit or money does not depend on the value of any metal or metals, but on the right which the creditor acquires to “payment,” that is to say, to satisfaction for the credit, and on the obligation of the debtor to “pay” his debt and conversely on the right of the debtor to release himself from his debt by the tender of an equivalent debt owed by the creditor, and the obligation of the creditor to accept this tender in satisfaction of his credit.⁹⁴

Innes contended that the commodities that people used in the past for money were nothing more than place holders of credit and that the value of the commodity as an exchange lubricant had little to do with the inherent value of money.

Geoffrey Ingham is one scholar who has attempted to capture the transition from personal credit to money. He examined ancient Mesopotamia where a system of accounting developed to keep track of the “various elements of social technology (means) and social practice (social relations) that had been slowly developing.”⁹⁵ The temple held certain reserves of grain that they would give citizens with the expectation that it be

⁹² Graeber, *Debt*, 29. Emphasis, mine.

⁹³ Cf. R.G. Hawtrey, *Currency and Credit* (London: Longmans, 1919); Howard S. Ellis, *German Monetary Theory 1905–1933* (Cambridge: Harvard University Press, 1934), 13–58.

⁹⁴ A. Mitchell Innes, “The Credit Theory of Money” in *The Banking Law Journal*, 31 (1914): 151–168, 152.

⁹⁵ Geoffrey Ingham, *The Nature of Money* (Cambridge: Polity Press, 2004), 94.

returned to them at interest. Presumably, the idea behind this was in case of a drought, the people could lay claim to authority-protected goods. To represent this claim, the government recorded the credits and debits of citizens on clay tablets. Ingham presumes that these credits and debts of individual citizens could be privately exchanged.⁹⁶ Thus despite the lack of coinage, Ingham contends, “money was the very means by which society was organized and managed by a hierarchy of value (money of account) which measured the flows and allocation of resources and the pivotal temple-farmer, creditor-debtor relation.”⁹⁷

As one may assume, a major development in money was the invention of coinage, which, in Innes’ interpretation, symbolized the unit of account as a visible sign of one’s credit. Coinage led to enhanced statecraft as kings were able to tax more effectively, pay their armies more easily, and thereby increase their power. But, as our modern era—full of cards, online payments, and cryptocurrencies—reveals, we do not need commodified symbols of money for us to still transfer our credits to one another. Ingham asks what unites the moneys of Ancient Mesopotamia, Rome, the Medieval age, and our modern one? And that single thing is a unit of account—a measure by which to value goods and services. He concludes that the essence of money is nothing more than this unit of account, the existence of which is ultimately determined by a political authority.⁹⁸

An important component of this theory is a central authority that chose what item symbolized the credit. Credit theorists often state that there is no criterion provided for how, within a free market, a single commodity rises to the top of the hierarchy and becomes money. Davies summarizes the criticism:

⁹⁶ Ibid.

⁹⁷ Ibid., 95.

⁹⁸ Ibid., 197.

As the numbers of commodities increase in trade, the numbers of combinations become astronomical. With a hundred commodities nearly 5,000 separate exchange rates (actually 4,950) would be necessary in a theoretical barter system, while nearly half a million (actually 499,500) would be required to support bilateral trading for 1,000 commodities.⁹⁹

With these overwhelming numbers, the scholars often retort that a central authority must have, almost arbitrarily, selected the money item. Innes, amongst others, as we have seen, suggests that, “it is the tax which imparts to the obligation its ‘value.’”¹⁰⁰ In keeping with the example of Ancient Mesopotamia, Michael Hudson claims that this was in fact the case: “Silver owed its high status not to its technological role in production, but to the social role it played in the temples and palaces that served as society’s administrative organs.... The large institutions gave silver value by making it acceptable in payment for proto-taxes and fees, as well as for goods and services purchased from these institutions.”¹⁰¹ Theorists such as Hudson do not claim that these precious metals were useless nor to say that they were not already used in exchanges with one another in long distance trade, for instance.¹⁰² Rather, the nudging of a central authority served as the determining factor in ensuring that one commodity became ubiquitous as a medium of exchange.

This credit theory of money has slowly become the majority position in academic literature over the past seventy years. An influential voice in this debate was Nobel Laureate in Economics Paul Samuelson. Writing in the last years of the gold standard, Samuelson said: “The modern student need not be misled, as were earlier generations of students, by some mystical belief that ‘gold backing’ is what gives money its value.

⁹⁹ Davies, *A History of Money*

¹⁰⁰ Innes, “The Credit Theory of Money”, 166.

¹⁰¹ Michael Hudson, “Introduction” in *Creating Economic Order* ed. Michael Hudson and Cornelia Wunch (Bethesda, Maryland: CDL, 2004), 6. Consider, for instance, commensurating goods for silver in the four-thousand year old law code of Ur-Nammu. For example, line 18 records: “If a man knocks out the eye of another man, he shall weigh out half a mina of silver.”

¹⁰² For his part, Aristotle believed that money originally arose in long-distance trade. See *Politics* 1257a31–35 (*Loeb* edn.)

Certainly gold, as such, has little to do with the problem.”¹⁰³ Samuelson believes that “the age of commodity money gives way to the age of paper money” and the “essence of money, its intrinsic nature, is typified by paper currency. *Money, as money rather than a commodity, is wanted not for its own sake but for the things it will buy!*”¹⁰⁴ Samuelson believed that the evolution of money began as a miscellaneous commodity and culminated at a mere credit. Considering modern fiat currency, one is tempted to dismiss the commodity theory off hand, stating that the alternative narrative seems to better explain our modern monetary system.

Temple Theorists

Yet another theory for the origins of money arose out of the credit theorists. While the credit theorists usually emphasize the role of a governing hierarchy, most often referred to as “the state” within their work, the most compelling arguments arise from classicists who do not neglect the sacerdotal elements that saturate ancient money.

Certain classicists have argued that the relation between money and religion is not coincidental but original.¹⁰⁵ There are two theoretical difficulties in money: the first is quantifying things that are inherently qualitative; the second is using the main quantifying element as a medium of exchange. These scholars argue that understanding the origins of money in temple economies solve both problems. Within the framework of this study, there is only room to mention the basic elements of their arguments.

¹⁰³ Paul Samuelson, *Economics* (London: McGraw-Hill, 1976), 279.

¹⁰⁴ *Ibid.*, 276.

¹⁰⁵ For instance, Seaford, *Money and the Early Greek Mind*; Alla Semenova, “Would You Barter with God?” in *American Journal of Economics and Sociology* 70.2 (2011): 376–400; Sitta von Reden, *Money in Classical Antiquity*, 156–185; W. H. Desmond, *Magic, Myth, and Money* (New York: Free Press of Glencoe, 1962); these texts give original credit to B. Laum, *Heiliges Geld: Eine Historische Untersuchung über den Sakralen Ursprung des Geldes* (Tübingen: Verlag von J.C.B.Mohr, 1924).

The transition in ancient Greece from chieftain societies to polises in the eighth-century BC was marked, in part, by the rise of temple-palaces, where priest-kings took their place among the gods.¹⁰⁶ As the administrative duties of priests increased, so did the length of rubrics for the proper sacrifices.¹⁰⁷ The types, quality, and quantity of oxen used as religious offerings were subject to thorough regulation by the city authorities. As a result, the oxen offered to the gods had little to no differences between them. Scholars believe that the ox unit of account arose because of this regularity in measurement. While these offerings certainly had a strong transactional component to them, as already mentioned, they were also required by the central power of the polis. This would, as the theory goes, encourage the widespread familiarity with these units of account. Evidence not only of the familiarity with these units but also the adoption of them is found in Homer. Standard valuations of a hundred, twenty, twelve, nine, four and one oxen corresponded to standard quantities of oxen sacrificed during rituals. This has led some scholars to conclude that valuations were only certain when they were familiar.¹⁰⁸

The communal sacrifices of the oxen were marked by widespread participation. At these events, everyone shared in consuming the sacrifice—including the slaves.¹⁰⁹ Once the sacrifice was made, the meat was distributed to everyone, based upon the proportional importance they played in the preservation of the city's order, which symbolized the debt the city owed to each person within it—citizen or not. But there was a transition that began to occur in the sixth century BC when the bull began to be replaced with spits. Evidence of this surfaces in many archeological studies, yet the etymological shift seems

¹⁰⁶ Seaford, *Money and the Early Greek Mind*, 63–65.

¹⁰⁷ Semenova, “Would you Barter”, 379–385.

¹⁰⁸ Seaford, *Money and the Early Greek Mind*, 61; Einzig, *Primitive Money*, 382; Semenova, “Would you Barter”, 385.

¹⁰⁹ Desmonde, *Magic, Myth, and Money*, 124, 60, 116.

to capture just as much.¹¹⁰ The sacrificial meat on an iron spit came to be known as *obelos*, while *obolos* became the common word for a silver coin in the sixth century—the century when an identifiable currency arrived in ancient Greece. According to von Reden, “*Obeloi* (iron spits) were transformed from cooking utensils into a medium of payment that was valued by the handful six making one drachma.”¹¹¹ The reader of biblical texts will be familiar with the word *drachma*, another term for a coin, which originally meant a handful of six *obeloi*, spits. Even the most familiar word for money, *nomisma*, evidences a connection between sacrificial and monetary language. *Nomos*, standardly translated as law, was originally used to refer to “anything assigned, distributed, or dealt”—with its “widespread and economically fundamental practice of distributing *meat*” from communal sacrifice. The term *nomisma* referred to this and other events; as Seaford says, *nomisma* referenced “a divinely inspired collective confidence based upon custom.”¹¹²

This transition of the ox to the coin was inherently symbolic as the coin was infused with the original sense of *koinonia* made known through the rituals of the city offering each subject a chance to participate in the union of the common sacrificial meal.¹¹³ No doubt this is why early coins, which were minted in the temple at the authority of the priest king, were often marked with the head of a bull.

This theory has even more historical and ethnographic evidence behind it than does the credit theory, leading scholars such as Foucault to state, “The form of money does not emerge in the abstract sky of the commodity and its representation, but in the

¹¹⁰ Semenova also includes for evidence the mid-twelfth century Byzantine lexicon *Etymologicum Magnum*, the ancients made the decision self-aware of what they were doing: “First of all men Pheidon of Argos struck money in Aegina; given them (his subjects) coin and abolished the spits, he dedicated them to Hera in Argos. But since at that time the spits used to fill the hand, that is the grasp, we, although we do not fill our hand with the six call it a grasp full (δραχμή; *drachma*).” This quotation, however, seems more interesting than conclusive.

¹¹¹ von Reden, *Money in Classical Antiquity*, 161.

¹¹² Seaford, *Early Greek Mind*, 143. Compare also to the words *nemein*, *nemesis*, *isonomia*, and *nomisdein*.

¹¹³ Confusingly, this meaning does not derive from the etymology.

game of the sacrifice and its simulacra.”¹¹⁴ What this theory also establishes is that the unit of account is based on an actual commodity. The oxen, the spit, and the bullion were all commodified goods. Which brings us back to the notion that money is not only based in a unit of account but also a genuine economic good.

The Methodological Tensions

The deeper predicament with the debate over the nature and origin of money is that there are historical defenses for nearly any and all positions. While Smith, Hobbes, and Locke may have lost the anthropological debates, their case against the emergence of money is not totally defeated. In ancient Mesopotamia there were social credits given by the temple authorities to citizens that could be cashed in for agricultural goods; we have found great hoards of precious metals from the ancient Levant and elsewhere signifying that they were used as stores of value;¹¹⁵ in Greece, there is clearly a sacerdotal element to the rise of coinage; throughout the Mediterranean, there are signs of precious metals as commoditized goods used in trading that were never defined or regulated by a central authority. So why is this search for the origins of money so confusing?

Part of the discrepancies arise from the distinct methodologies they utilize. The commodity theorists utilize a formalist methodology in which the present is a linear descendant of the past and on which relies an approach which is logical, but also hypothetical. It abstracts from reality (ie economists often ask readers to “imagine” what a society without money would be like) beginning with the “rational” economic agent

¹¹⁴ Michel Foucault, *Lectures on the Will to Know* (New York: Pelgrave, 2013), 135.

¹¹⁵ Amidst many sources, see C.M. Thompson, Sealed Silver in Iron Age Cisjordan and the ‘Invention’ of Coinage” in *Oxford Journal of Archaeology* 22 (2003): 67–107.

facing scarce resources and unlimited wants.¹¹⁶ Ultimately, they hope to define the static essence of money without the context of cultural variation. Murray Rothbard, following the formalist methodology of his teacher Mises, even admits to this in a talk on money: “The definition [of money] must rest on the inner essence of the concept itself and not on the currently fashionable but question-begging methodology of [state-credit theorists].”¹¹⁷ This is why many in his school are happy to say that gold *is* money.¹¹⁸

Credit theorists offer, as an alternative, the substantive methodology. The substantive methodology looks to create a necessary and objective definition based on uncovering a concept that unites all particular uses, a core element in all exchanges. This core thing is the criterion of the “substance” of money, and thus the one feature used to characterize and to describe descriptively the whole subject-matter. This is encapsulated in Samuelson’s line: “the essence of money, its intrinsic nature, is typified by paper currency.”¹¹⁹ There are notable issues with this method. First, to do a proper study, an inquiry into *all* economies would have to be made and extracted from cultural distinctions. Some try to do this and, as a result, we are left with a conjunction of lexicography with local history that is very far from what the nature of money is intended to be.¹²⁰ Second, even if scholars were not to limit themselves, though all necessarily do, they would still have to deploy certain principles of selection to determine the scope of their investigation. Choosing the example histories—which to include, which to reject—

¹¹⁶ George Dalton, *Economic Anthropology and Development* (New York: Basic Books, Inc, 1971); Wray, “Introduction to an Alternative History of Money” in *Levy Institute Economic Papers* 717 (2012): 1–3; Semenova, “Would you Barter with God” 1, 22–23.

¹¹⁷ Rothbard, “The Austrian Theory of Money”, 705. In this quote Rothbard is explicitly attacking the methodology of statistical correlation with national income.

¹¹⁸ For more on this concept of money being a natural aspect of the world and specifically not an agreement among people, see also, von Mises and his first PhD student, Hans F. Sennholz, ed, *Gold is Money* (London: Greenwood Press, 1975).

¹¹⁹ Speaking of the essentialist methodology, John Finnis criticizes: “There is thus one concept, which can be predicated equally and in the same sense (e.g. univocally) of everything.” *Natural Law and Natural Rights*, second edition (Oxford: Oxford University Press 2011), 6.

¹²⁰ The prime example of this is Einzig’s *Primitive Money*.

and choosing the details to portray in them—which to include, which to reject—is defined by parameters that the individual scholar provides himself. This ultimately results in each scholar creating his own definition of money and thereby making an impasse for further academic discussion beyond the simple queries into why the scholar made the decisions he did.

The truth is that those utilizing a substantive methodology obviously deduce formal principles from the real, otherwise they could never come to a conception of a chartelist or credit theory. And the formalist obviously does not operate by pure reason alone; the theorists consider money as it is used in contemporary practice. The one methodology needs the other in order to exist. But perhaps both methodologies are themselves misleading. In marking a path forward, I want to turn to the Catholic tradition to see its insights on the matter.

The investigations into the nature of money, which we have considered above, take money to be a *natural* thing, and seek to understand what it *is*—an ontological question. But for the Christian tradition, the claim that money has a substance is a metaphysical absurdity that would limit a dynamic analysis of it. Money as an artifact does not have a created substance. While research into the origins of a certain type of money in one time and place rather than another is interesting, it is not a revealing investigation into an unshifting reality. Conceptions of money change throughout history, and these changes are not dismissible; there is a fundamental difference between the sea shells and modern fiat money, let alone Bitcoin. The answer to the question of the nature of money is not static throughout time. But to ask what money is apart from human creativity leaves such an analysis as treating money (by intention or not) as an objective tool that lives, moves, and breathes on its own without human agency. Under any

Catholic metaphysic, one cannot assign normative properties to an artifact as one can to a natural substance.

In the various forms of money we have considered, they all have a different etiology and function. In some general sense one could state that all moneys enable commerce through an analogical assessment of value and reward in exchange. But the difference in form—and thus confusion in definition—is first and foremost a representation of a society's value.

This notion is very different to the theories we have examined. The theorists cited usually consider the nature of money, as if it were its own metaphysical category to which all other politico-economic laws and variables apply. This is not merely in the academic literature but in celebrated business articles as well as in regular conversation: “what is money?” Philip Goodchild falls prey to this in his *Theology of Money* by attributing the characteristic of “sovereignty” to money—going so far as to attribute this inanimate object with a will.¹²¹ Nimi Wariboko in his *God and Money* even demeans projects that do not treat money as an objective system independent of human input.¹²² Even Michel Aglietta argues in his *La monnaie souveraine*, that money is just that: a political sovereign outside the reach of people, which itself ushers in peace after a violent beginning.¹²³ We moderns have at times absolutized parts of the human experience and money, perhaps more than the rest, has become a category all on its own.¹²⁴ No doubt,

¹²¹ Philip Goodchild, *Theology of Money* (Durham, NC: Duke University Press, 2007), 70–83.

¹²² For example, “Theologians and ethicists have tarried too long on one spot; concentrating too much on giving and generosity and individual ethics to the neglect of social and systemic issues.” Nimi Wariboko, *God and Money* (New York: Lexington Books, 2008), 7.

¹²³ Michel Aglietta and Adrien Orlean, *La monnaie souveraine* (Paris: Odile Jacob, 1998).

¹²⁴ For longer discussions on this, predominantly modern, phenomenon cf. Andrew Willard Jones, *Before Church and State* (Steubenville, OH: Emmaus Academic Press, 2017), 440–448; Brantly Womack, “John Stuart Mill, Karl Marx, and Modern Citizenship” in *Journal of Cambridge Studies* 7.4 (2012): 1–17; Vladislav Shaposhnikov, “Theological Underpinnings of the Modern Philosophy of Mathematics. Part I: Mathematics Absolutized Studies” in *Logic, Grammar and Rhetoric* 44.1 (2016): 31–54; Philip S. Gorski, *The Disciplinary Revolution: Calvinism and the Rise of the State in Early Modern Europe* (Chicago: University of Chicago Press, 2003), 1–39.

this is part of the answer as to why many—on every side of the debate—seek the suspension of multiple currencies: variability cannot speak to the logical absolutism they attempt to assign to money.¹²⁵

Next to the near-endless material on the nature of money in the fields of modern economics and sociology, the Catholic tradition has said very little, not only in the contemporary magisterium but also in the first eras of the Church. Peter Brown notices this same phenomenon, saying that it was a trend for ancients more generally to focus on habits of soul rather than on systems of governance and economics. Brown suggests a number of solutions as to why this is. The first is that, for the fathers under imperial Rome, they were not living in a free society. “Wealth and its inseparable shadow, power, were topics that had to be approached circumspectly.”¹²⁶ He cites a number of cases where challenges to systems of power were met with harsh responses and certain fathers, such as Ambrose of Milan, would level their criticisms of the government at the rich classes instead to avoid any confusion of treason.¹²⁷ But many of the fathers were indeed brave, even facing martyrdom, and still few ever commented on any social systems at all—Augustine in *The City of God* and Eusebius in his *In Praise of Constantine* being two notable exceptions to this. So there must be another reason. Brown’s second apology for this silence is based upon the orientation of rhetorical education: that it is entirely concentrated on personal behavior. “To the ancients,” Brown notes, “how individuals acted mattered far more than did the structures within which they acted.”¹²⁸ What

¹²⁵ Polanyi, *The Great Transformation*, 3–20 demonstrates that there was a universal defense of the gold standard in the early 20th century. The defenders saw in the gold standard a static measure that both enabled trade and stability. Likewise in the contemporary debate over money, scholars do not question the need for the universality of money but the means by which that universality is achieved (whether through the State or through gold).

¹²⁶ Brown, *Through the Eye of the Needle*, 56.

¹²⁷ Ibid.

¹²⁸ Ibid.

Christians have historically done in their analyses of systems is to base their explorations on the normative regulations of Christian virtue as it comes into connection with particular components of human custom and techniques. Instead of treatises on systems, the fathers often would provide negative, quick, declarative, and uncritical statements on the *use* rather than the *nature* of money: “Do not bring money into Church”; “There is only sin between buying and selling”; “It is one thing to earn a living by fishing, and another to amass money from the profits of receipt of custom. For there are many trades which can scarcely if ever be practiced without sin.”¹²⁹

The Catholic Tradition and the Control of Money

How a people behave, cooperate, and orient themselves to one another form the social structures for a society. Not only do artifacts change the cultural landscape, affecting how people behave, but they arise out of human desire. Analyzing human action must recognize the environments in which the behavior occurs, how they become habituated, and how the soul achieves a particular end despite varying external factors. The organization of society is based upon the externalization of inward dispositions. An exploration into ethical arrangements concentrates on the real instead of the representative. Often the tools and artifacts that man creates become the focus rather than man himself. Pope John Paul II refers to this in *Laborem exercens* as he exposed how the primacy of artifacts penetrates the psychology and the economic reality of those working and living within modern societies. As systems become more ubiquitous and influential, we begin to think of them as subjects that control us, not us them:

¹²⁹ Jean Chrysostome: *Sur l'incompréhensibilité de Dieu*. J. Daniélou, A.M. Malingrey, R. Flacelière (2000: réim-pr. de la 2e éd., 1970), 266; St. Leo I, Letter 167 PL [54:1206]; St. Gregory, *Homiliae in Evangelia* xxiv.

[Technology] facilitates [man's] work, perfects, accelerates and augments it. It leads to an increase in the quantity of things produced by work, and in many cases improves their quality. However, it is also a fact that, in some instances, technology can cease to be man's ally and become almost his enemy, as when the mechanization of work "supplants" him, taking away all personal satisfaction and the incentive to creativity and responsibility, when it deprives many workers of their previous employment, or when, through exalting the machine, it reduces man to the status of its slave.¹³⁰

When people cease to own their tools, know how they work, and depend on them for their products, the tools themselves begin to dominate their lives instead of enhancing them.¹³¹

While capital ought to exist in order to facilitate, accelerate, and augment labor, the laborer begins to work in order to service the machine. The machine controls the man, not man the machine. For Marx, who identified this same problem, there really was no escape. People were no longer in control of the systems. He writes:

Modern bourgeois society with its relations of production, of exchange and property, a society that has conjured up such gigantic means of production and of exchange, is like the sorcerer, who is no longer able to control the powers of the nether world whom he has called up by his spells.¹³²

And so Marxists put their faith in one more system, re-articulating history itself as a machine that will necessarily, if the right buttons are pushed, produce its mechanical result: the classless society.¹³³ The responsibility for the order of society has again gone to the gods and humanity can do nothing.

Unlike certain theorists, the Marxists generally did not think of money as natural. Rather, it grew too large to control leading to the artifact acting as another pillar of natural reality. The thesis is compelling. Today we are subject to money's varying valuations, as

¹³⁰ *Laborem exercens*, 19. Doubtless Pope John Paul II is referencing Marx: "The sensuous external world more and more ceases to be an object belonging to [man's] labour—to be his labour's means of life; and secondly, that it more and more ceases to be means of life in the immediate sense, means for the physical subsistence of the worker... Thus in this double respect the worker becomes a slave of his object." Karl Marx, *Economic and Philosophical Manuscripts of 1844* (Amherst, NY: Prometheus Books, 1988), 72–73.

¹³¹ See Ivan Illach, *Energy and Equity* (London: Marion Bayor, 1974), for arguments and demonstrations defending this claim.

¹³² Karl Marx and Frederick Engels, *The Communist Manifesto* (Oxford: Oxford University Press, 1970), 37.

¹³³ Cf. Eugene McCarragher, *The Enchantments of Mammon* (Cambridge, MA: Harvard University Press, 2019), 59–68.

quantitative easing, the artificial manipulation of interest rates, and speculative price manipulation demonstrate. We are bound to follow money's ebbs and flows wherever it goes. But as artifacts do not have objective lives of their own, they cannot be evaluated in a vacuum. The genius of classical rhetorical education—most triumphantly utilized in foundational Christian theology—is that it approaches subjects within their place in a social and cosmic order, a part to the whole. Assumed within this premise is the idea that money depends upon humanity and not humanity upon money. With this said, Marx is undoubtedly correct: a single person cannot control the socially constructed nature of money. The conventionalist power of money ensures that it stands above any one person. In this way, money is akin to language: people can introduce private idioms, grammatical quirks, coin and redefine terms privately, but they can only manipulate it so far before people fail to recognize it and they can no longer participate in the society. But these difficulties should not distract us from the fundamental truth that man has an ability to choose; that money may be a tool or a monster but is one that we are socially responsible for. Because there is a rationally-invented nature behind each form of money, it further proves it still to be in human hands.¹³⁴

In the chapters that follow, I want to ask the tradition a series of questions about the nature of money that specifically has to do with what features of money make life most and least human—a concern often mentioned within the twentieth-century encyclical tradition. I hope to demonstrate that the biblical literature, fathers, and scholastics have not been silent on this question; rather, I hope to prove that we have not been asking the sources the right questions: instead of asking, “What is money?” The

¹³⁴ This contra the Austrian school's claim that only sovereign authorities ought to plan a society for competition instead of the general masses. For the most popular explication of this idea, cf. F.A. Hayek, *The Road to Serfdom* (Chicago: Chicago University Press, 1972 [1944]), Ch 4.

question we should be asking is, “What *should* it be and how are we to use it, if at all?” And “Why is it that money is susceptible to misuse?” To begin with, I turn to the only known treatise on money among the fathers and the high medieval scholastics—Nicole Oresme’s fourteenth century treatise *De moneta*. His treatise focuses on the structural questions of money of how it operates within a macro-societal context. A critical reading of his text will provide the preliminary considerations that concern the tradition regarding the question of the nature of money.

Chapter 2

The Spirit Against Tyranny: Nicole Oresme on Money

Well known for his work on mathematics, science, and astronomy, Nicole Oresme (d. 1382) is also an essential character in medieval economics as he is the only scholastic to have written a treatise dedicated to the nature of money.¹ This is certainly not the first scholastic economic treatise as some have claimed.² A host of tracts on usury and Peter John Olivi's *Treatise on Contracts*—which we will consider in Chapter 6—preceded Oresme's *De moneta*. But whereas these works were concerned with the nature of capital, Oresme was concerned with the nature of currency; and whereas these scholastics were interested in the nature of financial techniques, Oresme concentrated on the nature of the foundational financial instrument: money itself. Oresme's task offered the groundwork on which these other financial techniques—such as buying, selling, usury—could be evaluated. Particularly for the interest of this thesis, Oresme analyzed the nature of money in terms of its relation to God, the Church, and justice.

Certainly, Oresme was not the first scholastic to think about money. Scores of theologians and lawyers wrote short arguments on the nature and ontology of money. But whereas one would need to mine the complete works of Thomas Aquinas, for instance, to construct his theory and theology of money, Oresme “set aside the endless syllogizing of

¹ Those who study the school of Salamanca may also suggest Luis de Molina's sixteenth century *Treatise on Money*, (trans. Jeannine Emery in the *Journal of Markets & Morality* 8.1 (2005): 161–323). Apart from the fact that this is outside of medieval scholasticism, Pope Innocent X decreed against him: “His Holiness by the present decree declares and decrees that no trust at all is to be placed in the above-mentioned assertions, acts, on behalf of the opinion of the Brothers, O.S.D., as well as of Louis Molina,” from “The Aids or Efficacy of Grace” 23 April 1654. Found in Denzinger's *Sources of Catholic Dogma*, edition 43 (San Francisco: Ignatius Press, 2012), 317. Because the focus of the thesis is the Catholic tradition, those whose ideas were condemned in it are not given pride of place.

² See Jörg Guido Hülsmann, *The Ethics of Money Production* (Auburn, AL: Ludwig von Mises Institute, 2008), ix and Claire Richter Sherman, *Imaging Aristotle: Verbal and Visual Representation in Fourteenth-Century France* (London: University of California Press, 1995), 14. Both books, dedicated to Oresme and his work, state otherwise.

the philosophers and lawyers' webs of strangely abbreviated cross-references between ancient paragraphs and instead [presented] a simple direct argument for [the nature of money].”³

Why was his style different? In no small part it was due to Oresme's audience. In 1356, King John II (the Good) was defeated at the Battle of Poitiers and carried off as a prisoner to England. Challenged by a steep ransom cost, John, or the dauphin, Charles, seemed to have sought the counsel of Nicole Oresme, then master of the College of Navarre at the University of Paris and alleged tutor to Charles.⁴ Between 1351 and 1360, John had changed the value of the *livre tournois* seventy-one times.⁵ Should he call for the devaluation of currency again to handle this political crisis while civil unrest threatened the teenage Dauphin Charles?⁶ In response to this question, Oresme wrote *De origine, natura, et mutationibus monetarum* in 1357. John found the treatise convincing, or so it seems, as he did not continue to alter the coinage, nor did his son Charles V, who never devalued French currency during his fifteen-year reign.⁷ Oresme's treatise proved so influential with the French monarchy that in 1361, at the request of Charles V, Oresme

³ Odd Langholm, *Wealth and Money in the Aristotelian Tradition* (Oxford: Oxford University Press, 1985), 14–15.

⁴ Charles Jourdain, “Nicole Oresme et les astrologues de la cour de Charles V” in *Excursions historiques et philosophiques à travers le moyen âge* (Paris: Firmin-Didot, 1888), 582 cites a 15th century manuscript (Paris, Bibl. Nat., MS fr. 11223, fol. 116) that uses the phrase “son instructeur” in regards to Oresme's relationship to Charles V. Delachenal, the biographer of Charles V, *Histoire de Charles V*, vol. I (Par, 1909), 14–15 denies the relationship was what Jourdain claims but without ever making an argument against the manuscript's declaration and without a defense of his own claim.

⁵ “Oresme” in *Dictionnaire de théologie catholique* ed. Emile Amann in 15 vol. (Paris: Letouzey et Ané, 1932), vol 11², col. 1408. For an overview of the fluctuations in the value of the French coinage in this period, see Raymond Cazelles, “Quelques réflexions à propos des mutations de la monnaie royale française (1295–1360)” in *Moyen Âge 72* (1966): 83–105.

⁶ On the immediate political situation in France and the genesis of *De moneta*, see Jacques Krynen, *L'empire du roi: Idées et croyances politiques en France, XIIIe–XVe siècle* (Paris, 1993), 424–26; Jacques Krynen, “Entre la réforme et la révolution: Paris, 1356–1358” in *Les révolutions françaises*, ed. Frédéric Bluche and Stéphane Rials (Paris, 1989), 87–112, at 104–7. For a comprehensive account of political developments between Poitiers and John II's release in 1360, see Raymond Cazelles, *Société politique, noblesse et couronne sous Jean le Bon et Charles V* (Geneva, 1982), 229–385. Both Krynen and Cazelles suggest that the position of leadership that Oresme took up in Paris at the College of Navarre in October 1356 would have placed him at the ideological center of the reform movement in French politics.

⁷ “Oresme” in *Dictionnaire de théologie catholique*, col. 1410.

translated the treatise into French with the title, *Traictie des monnoie*. We will take to calling it the *De moneta*, as is commonly done.⁸

During his lifetime, Oresme made a gradual ascent from humble origins (so much so that it is difficult to trace his name⁹) to being hailed as the “amé et feal conseillier” of Charles V.¹⁰ We first come to know of him in 1348 as he entered the College of Navarre at the University of Paris. Once there, he became the functional accountant of the college.¹¹ In 1356 Oresme transitioned from student to master of the college in which capacity he continued to work in the same accounting role.¹² In 1361 Oresme sought and obtained the archdeaconship at Bayeux but was obliged to resign his collegial post when suit was

⁸ Modern studies of the *De moneta* began with Louis Wolowski’s *Traicté de la première invention des monnaies de Nicole Oresme: textes français et latin* (Paris: Librairie de Guillaumin et C, 1864). The first major study on Oresme beyond these translations was by Francis Manuer, *Sur La Vie et les Ouvrages* (Paris: Ch Lahure, 1857). This was followed by the thesis of Émile Bridrey, *Nicole Oresme: La Théorie de la Monnaie au xiv Siècle* (Paris: V. Giard & E. Brière, 1906). Other studies include: Charles Jourdain, “Memoire sur les commencements de l’Economie politique dan les Ecoles du Moyen Age” in his *Excursions historiques et philosophiques à travers du Moyen Âge* (Paris, 1888): 421–462; Henry Hertrich, *Les Théories monétaires au XIVe siècle: Nicolas Oresme* (Lyons, 1899); T. W. Balch, *The Law of Oresme, Copernicus, and Gresham* (Philadelphia, 1908); Constantin Miller, *Studien zur Geschichte der Geldlehre: die Entwicklung im Altertum und im Mittelalter bis auf Oresmius* (Stuttgart and Berlin, 1925); Henri Laurent, *La Loi de Gresham au Moyen-Âge: essai sur la circulation monétaire entre la Flandre et le Brabant a la fin du XIVe siècle* (Brussels, 1933); Hector Estrup, “Oresme and Monetary Theory” in *Scandinavian Economic History Review* 14 (1966): 97–116.

An English translation of Oresme was made by Charles Johnson, called *The De moneta of Nicholas Oresme and English Mint Documents* (London: Thomas Nelson, 1956). Johnson provides an English translation, which faces the critical Latin text. I will use my own translation of the text unless otherwise noted. Wolowski is still the source for the French text; we still do not have a critical French edition.

For the oft-cited connection between the doctrines of Buridan and Oresme, see Rudolf Kaula, “Der Lehrer des Oresmius” in *Zeitschrift für die gesamte Staatswissenschaft* 60 (1904): 453–461. For a detailed bibliography on all aspects of Oresme’s work, see Charles Lohr, “Medieval Latin Aristotle Commentaries,” *Traditio* 28 (1972): 290–295. For the sparse recent secondary literature on Oresme’s *De moneta*, cf. Adam Woodhouse, “‘Who Owns the Money?’ Currency, Property, and Popular Sovereignty in Nicole Oresme’s *De moneta*” in *Speculum* 92:1 (2017): 85–116; Laurence S. Moss, “Nicole Oresme” in *Journal des Economistes et des Etudes Humaines* 20.1 (2014): 61–70. See below for further modern resources.

⁹ Cf. Susan M. Babbit, “Oresme’s *Livre de Politiques* and the France of Charles V” in *Transactions of the American Philosophical Society* 75.1 (1985): 1–158, 2; A.D. Menut, “Le Livre de Politique d’Aristote” in *Transactions of the American Philosophical Society* 60.6 (1970): 1–392, 8 and 34a.

¹⁰ From an act of 26 January 1377 found in Léopold Delisle, *Mandements et actes divers de Charles V [1364–1380], recueillis dans les collections de la Bibliothèque Nationale* [Paris, 1874], 804, #1619.

¹¹ “Il avoit une des trois clefs du coffre fort de la maison; il recevait annuellement les comptes des recettes et des dépenses dressés par le proviseur, et le serment du membre de la Chambre des comptes député pour les vérifier.” Francis Meunier, *Essai sur La Vie et Les Ouvrages de Nicole Oresme* (Paris: Typographie de Ch Lahure, 1857), 9.

¹² For Oresme as head of the College of Navarre at Paris, see Heinrich Denifle and Emile Chatelain, *Chartularium universitatis parisiensis, 1200–1452*, 4 vols. (Paris, 1891–1897), 2 (1891), 641, n. 3 and E. Du Boulay, *Historia universitatis parisiensis*, 6 vols. (Paris, 1665–1673), 4 (1668): 977.

brought against him before the Parliament of Paris forbidding him to hold this office concurrently with his post at Navarre. Having left the college, Oresme continued to ascend, accepting an appointment as canon at Rouen the following year; soon afterwards he was made canon at La Sainte Chapelle in Paris.¹³

In this next period of his life, Oresme occasionally served as a royal agent, in which role we only enjoy snapshots through royal registers. We know, for instance, that Charles, while regent, sent Oresme to negotiate a loan in Rouen, and to preach before the pope in Avignon (Christmas Eve, 1363).¹⁴ Eventually, Oresme served as secretary to the king, thus having direct access to the royal family. If commanded, Oresme could sign acts, as he did in 1369, writing his name and title “secrétaire du roy” on a document from the Chambre des Comptes.¹⁵ During the early 1370s, it seems that Oresme was charged by Charles V with spying on the archbishop, Philippe d’Alençon, who was believed to be treasonous.¹⁶ In 1377, just prior to the schism, Oresme was elected and consecrated

¹³ A.D. Menut, “Le Livre de Yconomique d’Aristote” in *Transactions of the American Philosophical Society* 47.5 (1957): 783–853, 790b. Still utilized for his accounting acumen, Charles set him as accountant over cathedral funds as well: “Charles V avait fondé en 1367 deux messes pour le salut de son âme dans l’église cathédrale de Rouen et confié l’administration des fonds affectés à cette fondation au chapitre et au doyen de cette même église.” Meunier, *Essai sur La Vie et Les Ouvrages de Nicole Oresme*, 15.

¹⁴ Bridrey, 449. The sermon, “Juxta est salus mea ut veniat, et justitia mea ut reveletur” in the *Catalogus testium veritatis of Matthias Illyricus Flaccius* (Basel, 1556), demonstrates a bold Oresme indeed, admonishing the Holy Father to reform lest his office descend into a tyrannical one. Further research ought to investigate Oresme’s understanding of the relationship between spiritual and temporal powers. Certain indefensible charges have been made against him that he was a proto-Gallican by Babbit, “Oresme’s *Livre de Politiques*”, 113, as she concludes: “His insistence on the need for councils and reform by councils puts him in a line with Gallican theorists.” But this is obviously a stable part of Catholic doctrine—even if a pope does not call it; (consider CCC 884—a council merely needs to be recognized or confirmed by a pope, not called by one, which is a point of confusion for Babbit). Nowhere does Oresme suggest that councils are the highest authority in the Church. Only buried in a footnote does Babbit, 113 fn79 qualify her claim, admitting that the chief Gallican theorists of Pierre d’Ailly and Jean Gerson developed a “complexity and comprehensiveness [in] their theories go far beyond the fragments in the *Livre de Politique*.” Similarly, giving more resolve to Babbit’s conclusion than she did, Blythe, “Nicole Oresme and the Synthesis of Aristotelian Political Thought” in his *Ideal Government and the Mixed Constitution in the Middle Ages* (Princeton: Princeton University Press, 1992), 205, claims that Oresme had “a Gallican view of the Church.” Neither of these scholars duly consider the internal reform movements that sought to restrain the papacy from becoming yet another temporal power. See fn. 223 for more on this issue.

¹⁵ Bridrey, *Théorie de la Monnaie*, 449; the now lost document, from the Chambre des Comptes, was dated 2 November 1369.

¹⁶ Found in Menut, *Le Livre de Politique*, 18a. Cf. A. Cheruel, *Histoire de Rouen pendant l’Epoque communale, 1150–1352* (2 v., Rouen, 1844), 2, in particular the chapter entitled: “Proces de la Commune contre de St. Ouen. Lutte entre les juridictions laique et ecclésiastique. Nicolas Oresme. Excommunication prononcée par l’official contre les clercs traffiquant. Resume”, 411–43.

Bishop of Lisieux by the pope for which see his administrative attention was then directed. Considering his great involvement with the active political life of France, as well as his accounting experience at multiple occasions in his career, Nicole Oresme enjoyed a vantage point between political thought and political life, financial thinking and financial practice that few scholastics could boast of.

Despite this illustrative background, Oresme has been demeaned by economic historians as “scarcely deserv[ing] such exclusive attention.”¹⁷ Even Odd Langholm has said that “there is very little in Oresme’s treatise which contradicts or goes beyond [the scholastics preceding him]”.¹⁸ In his book, *Wealth and Money in the Aristotelian Tradition*, Langholm traces the major influences, if not the origins of, the ideas regarding the nature of money in Oresme’s work, stating certain sections were “blatant plagiarism.”¹⁹ Two brief statements must be said in response to Langholm’s claim, justifying the writing of this current chapter.

First: it better serves this research if, as Langholm has convincingly demonstrated, Oresme’s treatise built upon the mainstream scholastic tradition. We are not searching for a peripheral thinker who ignored the preceding development of Catholic social thought. Our interest in Oresme is precisely because he built upon what came before him and held to what were traditional convictions.

¹⁷ Murray N. Rothbard, *An Austrian Perspective on the History of Economic Thought*, vol. 1 *Economic Thought Before Adam Smith* (Auburn, AL: Ludwig von Mises Institute Press, 2006), 74. This sentiment is shared by others, such as Babbit, “Oresme’s *Livre de Politiques*”, 4, 87.

¹⁸ Odd Langholm, *Economics in the Medieval Schools* (Leiden: E.J. Brill, 1992), 585. Woodhouse, “Who Owns the Money?”, does challenge this contention, stating, first, that Langholm falsely attributed to Oresme the idea that a king has “the right” to debase the currency, and, second, that Oresme was the first to render this denouncement, that the king does not. While it does seem true that Langholm made this error, Oresme was certainly not the first to make the claim that the king did not have the right to debase currency. For instance, see Innocent III’s *Quanto personam tuam*, in which he berated Peter II of Aragon for confirming the coinage, “without the consent of the people.” See Thomas N. Bisson, “‘Quanto personam tuam’ (X 2.24.18): Its Original Significance” in *Proceedings of the Fourth International Congress of Medieval Canon Law*, ed. Stephan Kuttner (Vatican City, 1976), 229–49, where Bisson provides an edition of the text.

¹⁹ Langholm, *Wealth and Money in the Aristotelian Tradition*, 22.

Second: Langholm's thesis is that Oresme offered a standard understanding of the need to produce metallic money, which he certainly did. But in his book, Langholm considered the parallels and quotations to other thinkers rather than analyzing Oresme on his own terms. It is because of this, I contest, that he overlooked Oresme's important contribution, what Oresme expressly stated was his main focus, his true development in economic thought: Oresme situates the analysis of money within the context of its use, demonstrating how changing the nature of money profoundly alters the type of political economy one has.²⁰

Additionally, Oresme's method for considering monetary theory within an analysis of political theology offers a case study for how to write on the theo-political role of money. The sparse statements and even more limited arguments on money in the scholastic tradition are finally given the context and the logical argumentation in the *De moneta* that render the claims convincing. Thus, while the genealogy of these claims, which Langholm offers, is very important, our purposes here are particularly for the arguments themselves. Other scholastics can boast of insights concerning the nature of money not included within the *De moneta*, which we will consider where appropriate. But lest we be distracted from Oresme's argumentation by the origins of certain phrases and undeveloped ideas, we will chiefly consider the properties and function of money in the theo-political context that Oresme outlines.²¹

Oresme never comprehensively articulates his political philosophy in the *De moneta*, but he does offer some ideas in his commentaries on Aristotle's *Politics*, *Ethics*,

²⁰ Oresme states this explicitly in *De moneta*, 46. In the last chapter, we saw G. Dalton, *Economic Anthropology*, make a similar claim. The difference, and true genius of Oresme, is that the *De moneta* offers the rationale for *how* it does so.

²¹ While the historical setting of the *De moneta* is very interesting and very important, we are primarily going to concentrate on the theological persuasions of Oresme rather than the meta-analysis of his stance in history. Certain historical issues will be crucial for understanding his theological point, but we are primarily interested in the theo-political, not historico-political, landscape, which was Oresme's own interest.

and *Economics*; in fact, as we will see, the *De moneta*, theoretical as it may be, captures his political theory in practice.²² This is also the contention of Cary J. Nederman in a short article on the *De moneta*, in which she exhorts future scholarship to study the *De moneta* “as a serious attempt to bring economic concerns to bear on the duties of rulers and the needs of their subjects.”²³ Understanding Oresme’s theo-political thinking offers us a chance to better understand his work on money.

Oresme’s Political Theology

A prime characteristic of Oresme’s political thought is his concern for subsidiarity—that judgements, policies, and actions must be decided at the most local level possible. James M. Blythe, in his variable exposition of Oresme’s political theory, summarizes the thrust of Oresme’s argument: “limitation of power is the essence of Oresme’s theory.”²⁴ Oresme argues this position not only from a theological position but also a practical one. For instance, speaking against the idea that a large or universal kingdom, in contrast to a small polity, is superior and more resilient, Oresme says:

Everyone has always wished to avoid war and obey one sovereign who could always understand every matter, judge it well, and properly order everything... it would be a splendid thing, it seems. But this is little more than a poetic fiction or imaginative mathematics (*ymagination mathématique*). For, as I have said earlier, the world is not run by hypotheses. It must be taken as it is... and taking it as it is by nature, it scarcely seems possible that anyone could be a sovereign monarch and last for very long.²⁵

His criticism of just empires as little more than “imaginative mathematics” is illuminating. Oresme himself was a brilliant mathematician and is still remembered for

²² Nicole Oresme, *Le livre de éthiques d’Aristote published from the text of MS 2902, Bibliothèque Royale de Belgique* ed. Albert D. Menut (New York: Stechert, 1940). See fn 9 & 13 for the editions of the others.

²³ Cary J. Nederman, “Community and the Rise of Commercial Society: Political Economy and Political Theory in Nicholas Oresme’s *De Moneta*” in *History of Political Thought* 21.1 (2000): 1–15, 1.

²⁴ Blythe, “Nicole Oresme”, 238. Power is, of course, existent everywhere—from the father over the son to the monarch over his people. Oresme’s concern is ensuring that the powers in the lower rungs of the hierarchy are not unduly usurped by the higher powers.

²⁵ *Le Livre de Politiques*, 294a.

first using powers with fractional exponents as well as calculating uniform acceleration. In the case of the latter, Oresme was well aware that his equations in analytic geometry often had no bearing on reality, that it did not properly map onto natural elements: acceleration around a square is not that of a circle.²⁶ He suggests the same case for theorists who argue that large kingdoms are best, or even possible: it may be internally consistent, but it does not square with reality.

The main issue that Oresme considers above is an emperor's fundamental ignorance of the persons whom he rules. The king could not institute proper justice because he was unaware of the particulars; he could not render each his proper due, which is the defining feature of justice. And it is not merely commutative justice that is Oresme's concern, but distributive justice—the proper, personal proportions of what is owed.²⁷

Yet there is another predicament that he mentions above, namely, why would a kingdom ever grow to such a vast size? He offers two reasons. First, because of the king's "violent usurpation and tyranny."²⁸ In other words, if the king coveted power and the increase of his dominion. In this case, the kingdom would be wholly unjust, he concludes, as it was born in vice. Second, the kingdom could have grown through conquering violent neighboring polities. But in this case, the conquering kingdom would never trust the conquered people: the king would always assume they were rebellious and vicious; it

²⁶ For a long exposition on this, see Part 1 of Ulrich Taschow, *Nicole Oresme und der Frühling der Moderne. Die Ursprünge unserer modernen quantitativ-metrischen Weltaneignungsstrategien und neuzeitlichen Bewusstseins- und Wissenschaftskultur* (Avox Medien-Verlag, 2003). It seems *imaginative* mathematics would contrast with what Aquinas called abstract mathematics—as the former implies it is part of the active intellect while the latter part of a progression into understanding. See, St. Thomas Aquinas, *An Exposition of the On the Heptomads of Boethius* trans. Janice L. Schultz and Edward A Synan (Washington, DC: Catholic University of America Press, 2001), 43.

²⁷ Consider *Livre de Politique*, 159b in which Oresme makes the standard distinction. Interestingly, he likens commutative justice to the Age of Moses and distributive justice to the Age of Grace.

²⁸ *Ibid.*, 292b.

would presuppose universal wickedness, “which is not conformable to human nature,” Oresme says.²⁹ By this he means that the kingdom would always overstep its bounds by prohibiting the freedom of the people instead of cultivating it. In this way, the government would itself be vicious, treating the people as a uniform group, impersonal and overbearing. Citing Augustine’s idea of an emperor as the *magna latrocinia*, Oresme claims that all empires are unjust tyrannies.³⁰

The tyrant who attempts to extend his empire is not only unjust but blasphemous, so argues Oresme. Though Oresme is remembered for many of his scientific and mathematical feats, he was primarily a theologian during his lifetime; and his political philosophy does not shy away from his theological standpoint. “Human nature is like a monster that has tried many times to grasp [universal rule]. Indeed, the whole world is governed by one sovereign Prince, who is God.”³¹ Elsewhere he again says, “I say that there is one prince of all the world, and it is God.”³² God’s rule is enacted in part by the pope—“all men by divine decree sit under a prince who is in his part the vicar of God”—but they are also limited by their creaturely nature: “A multitude of all men is not something that can be ordered under a man.”³³ Oresme continues to explain: “For if a pure mortal man was such that he could know and ordain all human beings and all persons just as God united and ordained the whole world, he should be a prince over all; but, as Aristotle says, this thing is divine power and not human.”³⁴

²⁹ Ibid., 292a. *Mes pource que une cité ou region avoit monarchie sus tout le monde, il s’ensuiroit que tous les autres fussent iniques en meurs, laquelle chose ne est pas conveniente a nature humaine.*

³⁰ Ibid.

³¹ Ibid., 290a. *Mes humaine nature seroit comme un monstre qui a plusieurs testes. Item, tout le monde est gouverne par un seul souverain Prince, qui est Dieu.*

³² Ibid., 292b. *Je di qu’il entent qu’un soit prince de tout le monde, et ce est Dieu.*

³³ Ibid., 290a. *Tous hommes de droit divin sont sous un prince lequel est en ceste partie vicair de Dieu.* We will discuss Oresme’s conception of the spiritual and temporal powers below.

³⁴ Ibid., 293a. *Car se un pur homme mortel estoit tel qu’il peust cognoistre et ordener de tous les fais humains et de toutes les personnes aussi comme Dieu congnoist et ordene de tout le monde, cest homme devoit estre prince sus tous; mes si comme dist Aristote, ceste chose est puissance divine et non pas humaine.*

This, of course, is the claim of many historical emperors—that they were divine. Pharaoh was believed to be god on earth; Nebuchadnezzar commanded that “all tongues and tribes should invoke him as a god;” and innumerable inscriptions referred to Caesar as “god manifest.” On numerous occasions, Oresme denounces the attempts of men to rule as gods.³⁵ Speaking explicitly against Nebuchadnezzar, Cyrus, and Augustus Caesar—Oresme writes: “A man should be taken for a prince in his city or in his country, but not the whole world: he could not govern everything, for he is not God, as is Jesus Christ.”³⁶ Further contradicting the claims of the Romans, Oresme states, contra Virgil’s praise of Augustus *his ego nec metas rerum nec tempora pono; imperium sine fine dedi* (Aeneid 6.792), that this was not only a “fiction poetique” but also, “an exclusive honor of Jesus Christ: *Et regni ejus non erit finis* [Lk. 1:33]. His rule will be without end.”³⁷

Oresme continues to say that the way in which these princes attempt to exercise their quasi-divine rule is through illicit techniques made to resemble divine sovereignty: “It would be impossible that a prince, without others committed to him, could ordain so great a multitude if he was not God. The monarchy could not know all the particulars and the details, and therefore it could not judge well and could not distribute honors and offices well.”³⁸ Unlike God who sees each hair on one’s head, the sovereign prince can only rule through generalities and abstractions. Without his ability to convince others to work for him, organize as he commanded, and live as he instructed, the king would have

³⁵ This idea runs parallel with Thomas Aquinas’ rather blunt and pithy notion that a king is not a god and thus has a different role to play in society. Aquinas, *De regimine* 1.14.4: “The one who founds a city cannot produce human beings and places for them to inhabit and other things to support their lives all over again, but must use those things preexisting in nature, just as the other arts take the material of their operation from nature.”

³⁶ *Livre de Politique*, 293b. *Car il en pourroit tout gouverner comme dit est, se il ne estoit Dieu, comme fu Jhesu Crist.*

³⁷ *Ibid.*, 292a. *Prerogative de Jhesu Crist: Et regni ejus non erit finis [Luc. 1:33]. Son royalme sera sans fin.*

³⁸ *Ibid.*, 291b. *Item, ce seroit impossible que un prince, ne par soy ne par autres commis par lui, peust ordener si grande multitude se il ne estoit Dieu. Item, tele monarchie ne pourroit cognoistre tous les faiz et personnes notables, et donques ne pourroit il bien jugier ne bien distribuer les honneurs et les offices.*

no control over the regions he purportedly rules. His power comes through persuasion, not ontological authority.

This brings us to Oresme's conviction of law, for it is only by impersonal legal structures that one could rule a large kingdom.³⁹ Speaking of Roman law, Oresme goes as far as to state: “No matter how reasonable these laws may be, no one is obliged to obey them by the force or authority of the government.... And to say that all should be under the governance and the laws of Rome is simply foolish, and is an error against natural reason.”⁴⁰ The reason for this is twofold: first, they attempt to be universally applicable, which is impossible to capture proper justice; only persons, with the cultivated virtues, could adequately bestow just verdicts. Second, the positive law that he sets forth cannot represent or fit well with every community. This does not mean that laws were unimportant for Oresme. In fact, he praises proper law as “le souverain prince” at one point, but those were local laws, discerned by knowledge of the local people and “confirmed by custom.”⁴¹ Universalized positive law, such as the Roman law, which he bemoaned his contemporary lawyers studied,⁴² could not capture every polity’s local custom; indeed it would often contradict what was developed locally.⁴³ Universal legal systems ultimately supplant local custom by reordering society to the designs of the sovereign. Like the political philosophers whose arguments for large, imperial rule do not take account of history, so too do the rules of a “sovereign king” fail to map onto reality;

³⁹ As another, short apology for briefly considering Oresme’s opinion on law, his *De moneta* considers money to be a form of law and treated as such. See, *De moneta*, 13.

⁴⁰ *Livre de Politiques*, 243b. *Car communement nos legistes sunt introduiz es lays que Justinian compila et en autres lays romaines; et leur semble que il ne est nul autre droit escript et que il deust estre tenu partout, salvés les coustumes locaux.... Et dire que tous deussent estre sous le princey et sous les lays de Romme, ce est grande simplece et erreur contre raison naturele.*

⁴¹ *Livre de Politiques*, 158b–159a.

⁴² See *Livre de Politiques*, 243a.

⁴³ *Livre de Politiques*, 243b–244a.

he rules at a distance and, thus, abstractly: his laws not only fail to conform to nature but also stifle the organic peace of the town.

Unjust laws, thus, cannot be true laws, Oresme reasons: “For just as a bad custom is not a proper custom, but a corruption, similarly such a law if it is contrary to government is called in Greek *apostudyamenos*: that is to say imprudently established laws.”⁴⁴ Kings often legislate new laws, Oresme says, when he “sees that his subjects are in no way inclined to disobedience or rebellion against his royal government, and that it would be expedient for him to forge and increase his power.”⁴⁵ In other words, when people are docile, it is the perfect moment for a tyrant to strike.

Ultimately it is this fear of a tyrant’s rise to power that Oresme attempts to avoid. This, he suggests in the *De moneta*, can occur too easily: “Because the king’s power commonly and easily tends to increase, the greatest care and constant watchfulness must be used, indeed extreme and supreme prudence is needed to keep it from degenerating into tyranny.”⁴⁶ He defines a tyrant as such: “a tyrant loves and pursues his own good more than the common advantage of his subjects, and aims at keeping his people subdued to him in slavery.”⁴⁷ Many of his policy ideals were meant to restrain a king from transforming into a tyrant. For instance, Oresme declared that the king should rule by his

⁴⁴ Ibid., 243b. *Et combien que il soient raisonnables quant au plus, nientmoins nul ne est obligie a les tenir par la vertu ou auctorite du princey de Romme excepte ceulz qui sunt de celui princey se il dure encore... Car aussi comme malvese coustume ne est pas proprement coustume, mes est corruptele, semblablement tele lay qui est contraire a bonne policie est appellee en grec apostudyamenos; ce est a dire lay indiscretement mise.*

⁴⁵ Ibid., 244a. *Je di donques que se le roy appercevoit que ses subjects s'enclinassent aucunement a desobeissance ou a rebellion contre son gouvernement royal, il seroit expedient et pour lui et pour eulz que il en forgest et accreust sus eulz sa puissance oultre la moderation qui seroit selon la regle desus mise; mes non pas siques a poste tyrannique.*

⁴⁶ *De moneta*, 44. *Sed quoniam potestas regia communiter et leuiter tendit in maius, ideo maxima cautela adhibenda est et perugil custodia, ymo altissima et principalis prudencia requiritur ad earn preseruandam, ne labatur ad tyrannidem.*

⁴⁷ Ibid., *tyrannus prediligat et plus querit proprium commodum quam commune conferens subditorum, et ad hoc nititur ut teneat populum sibi seruiliter subiugatum.* He provides almost the same definition in *Le Livre de Politiques*, 146b. *En vraie tirannie sunt .ii. choses; une est que le prince gouverne a son propre profit; l'autre est qu'il opprime ses subjects par force et par violence et tient en servitude contre leur volente.*

own will where law had not already determined proper order: “a king judges according to his will all things that are not determined by the laws.”⁴⁸ But he continues to say that the king cannot usurp any law: “To judge according to written laws or rules not confirmed by custom is a more sure thing than to judge according to will.”⁴⁹ As an apparent extension of the same principle, Oresme stated that a king could not create new law, for that would be tantamount to ruling according to a sovereign’s will: “It seems to me that there is little difference if some govern according to their will or if they govern according to laws which they themselves have made, without the consent of the multitude, in their own favor or to their own profit and against the common good.”⁵⁰ This postulation stands in stark opposition to the Roman maxim: “What pleases the prince has the force of law.”⁵¹ Unlike many jurists of the fourteenth century who were attempting to strengthen the king’s power through the rule of law, Oresme found this to be tyrannical. His reliance on law exists only at a small scale. All new ordinances were to be elected by the people themselves.

A multitude might have the decisive authority in three matters... [First,] in the choice of the prince and those who govern. [Second,] in the correction of those who govern, when they abuse their dignity, and dissipate or destroy the public good.... Third, in the establishment, adoption, and alteration of the law. For it is said that *what touches all* should be approved by all.⁵²

⁴⁸ *Livre de Politiques*, 157a. *Car roy fait a sa pleine volenté de toutes choses qui ne sont determines par les lays.*

⁴⁹ *Ibid.*, 159a. *Jugier selon les lays ou regles escriptes et non confermees par coustume est plus seure chose que jugier selon volenté.*

⁵⁰ 178a–b. *Mes il me semble que peu a de différence se aucuns gouvernent selon leur volenté ou se il gouvernent selon lays lesqueles eulz meismes ont faictes sans le consentement de la multitude en leur faveur et a leur profit ou propre conferment et contre le bien publique.*

⁵¹ Consider the following: *Digest Iustiniani* 1.4.1. *Quod principi placuit, legis habet vigorem: utpote cum lege regia, quae de imperio eius lata est, populus ei et in eum omne suum imperium et potestatem conferat. Institutes* 1.2.6: *Sed et quod principi placuit, legis habet vigorem, cum lege regia, quae de imperio eius lata est, populus ei et in eum omne suum imperium et potestatem concessit.*

⁵² *Livre de Politique*, 142a. *Mes tele multitude peut avoir domination quant a .iii. choses, ce est assavoir quant a l’election dez princes toutes foiz que tele election a lieu. Item, quant a la correction des princes ou cas que il abuseroient de leur dignite et que il dissiperoient et destruiroient le bien publique, jouxte ce que fu dit ou Xii. et .Xiiii. chapitres. Tiercement, quant a la constitution ou mutation et acceptation des lays, si comme il fu dit ou xiii chapitre. Car l’en dit que ce que touche tous doit estre approuvé de tous.*

Gaines Post has demonstrated that this latter phrase, *quod omnes tangit*, stems from a Roman legal tradition and was given a new “political sense” in the middle ages.⁵³ It bespoke the medieval theory of consent to subdue the attempt of a rising political power to overtake a community. It was only through this rationalized vote of the entire citizenry that a new positive law could be created, as opposed to the declaration (or, worse, whim) of the king. Naturally, the creation of new law would be a tortuously slow process, which it seems is, in part, one of Oresme’s safeguards against an overly regulated polity.

In addition to these precautions, Oresme believed all citizens should have, what we may call, productive property so that their power over the land could keep the king in check: Just as “one polity is moderated and restrained by the other, so also when almost all the citizens have some property they have less cause for sedition, as the people have authority in some things, and the estates in another, and the king in another.”⁵⁴ This principle leads Oresme to determine that the king must have his own productive property for it is a precarious situation for the king to take from his subjects instead of cultivating his own living: “A true king is self-sufficient, having no need of the goods of his subjects, especially in keeping his household and in maintaining his royal estate... Therefore, whoever follows this practice [e.g., “the rapacity of certain Israelite kings”] would not be a true king.”⁵⁵ The king is to be one who “labors without gain,” as Oresme says elsewhere; the king must have land to work so that his duty in ruling the people may not

⁵³ See his two articles “A Roman Legal Theory of Consent, *Quod Omnes Tangit*, in Medieval Representation” in *Wisconsin Law Review* 66.1 (1950): 66–78; “A Romano-Canonical Maxim, ‘Quod Omnes Tangit,’ In Bracton” in *Traditio* 4 (1946): 197–251. We should notice a subtle distinction between Oresme’s endorsement of this first *principle* that was merely formulated in the Roman world and that of Roman laws, which he opposed.

⁵⁴ *Livre de Politique*, 90a. *Et aussi quant Presque tous les citiens ont aucune dominacion il ont moins matiere de sedicion, si comme se le peuple a auctorite en aucune chose et les grans en une autre et le roi en une autre.*

⁵⁵ *Ibid.*, 150a. *Item, vray roy est par soy souffisant sans ce qu’il ait mestier des biens de ses subjés, mesmement quant a tenir son hostel et son bon estat... Et donques celui qui useroit du droit dessus dit ne seroit pas vray roy.*

become exploitative. As Blythe keenly summarizes, “The king must have ability and his people must be free.”⁵⁶

A proper king, for Oresme, does not attempt to usurp the divine law but conform his rule to it. Instead of codifying mass-scale laws, Oresme follows a host of scholastics in stating “peace must be lord over everyone”⁵⁷ and that “the defense of the peace is the duty of the king.”⁵⁸ If the king fails, that ends his just reign as “the death of the peace is the rise of tyranny.”⁵⁹ This notion is clearly not original; rather, it is the common scholastic understanding of the four eras of human history: original perfection, followed by the Law of Nature (in which men ruled themselves by their limited insight into the natural law), followed by the Law of Moses (in which God himself offers a strict, didactic law to obey), followed by the Law of Grace. In writing on the rule of law, Oresme contrasts the ordinances set forth in the “Lay de Moysse” with the structure of the “Lay de Grace”, under which rule, he says “we must suppose that as regards the articles of the faith and as regards the statutes, ordinances and customs approved by Holy Church, all is according to the special government of the Holy Spirit.”⁶⁰ This, he specifies, means that political evaluations of the Church—whether spiritual or temporal powers, “are not subject to the science of Aristotle.”⁶¹ The law of grace bespeaks a community living out virtue in peace, not following legislative commands.

⁵⁶ Blythe, “Nicole Oresme”, 218.

⁵⁷ *Livre le Politique*, 293a.

⁵⁸ *Ibid.*, 149b. For the same idea in other scholastic authors, see, Thomas Aquinas, *Commentary on the Nicomachean Ethics*, Lect. 8, n. 474; STh II-II. 183.2 ad 3; *De regimine*, I.3.1; Ptolemy of Lucca, *De Regimine Principum*, 4.34, esp §5; Aegidius of Rome, *De Regimine Principum*, 1.2.11; John of Salisbury, *Policraticus*, 5.22ff.

⁵⁹ 297a.

⁶⁰ *Ibid.*

⁶¹ *Ibid.*, “ne sunt subjectes a ceste scien [de Aristote].”

For the broader Augustinian tradition in which Oresme situates himself, peace was not set by merely non-violence but a unity defined in freedom and achieved by virtue.⁶²

Citing the authority of Augustine and Gregory, Oresme says:

God gives to man lordship over the beasts but not over man, because the will of man is not in subjection to another man. Freedom and servitude are dictated according to virtue and vice, for whenever the intellectual part obeys the sensitive or does contrary to reason, so the natural order of man is perverted.⁶³

The servitude that Oresme speaks of is categorized by those who do not utilize their own reason but conform to the will of men, as do beasts:

Aristotle would call them fools, those who give such power and the ruler who takes it—if he loves the rule. Nevertheless, some are so perverse and so like beasts that they choose to make the ruler believe that all is his and subject to his judgment... as if he were God on earth.”⁶⁴

Oresme does not absolve either party from this error, either the king who deceives his subjects into treating him as a sovereign god nor the fool who fails to think reasonably.

Oresme cites John 8:34, which says that all who sin are slave to sin, as condemnation of the latter. The solution for the fool is to use his reason, but for the former it is to be obedient to just laws and his position under God.

With that said, he did not depend on a system or a heavily legalized community to protect the people from the king. The only safeguard was virtue. Oresme believed that law was limited to guidelines for juridical reasoning: “Kings ought to take the laws as their legislator framed them and use them in their own judgements.”⁶⁵ Again he says, it is

⁶² Cf. Aug., *De civ. Dei*, 19.12

⁶³ *Livre le Politique*, 59a. *Dieu donne a homme seigneurie sus lez bestez et non pas sus homme, car volente de homme ne est pas en subjection d'autre homme. Item, liberte et servitude sunt dictes selon vertu et vice, car toute foiz que la partie intellective obeist a la sensitive ou fait autrement contre raison, adonques est perverti l'ordre naturel en homme. Et est fait serf, car la partie de luy principal et qui deust avoir seigneurie est faite serve.*

⁶⁴ *Ibid.*, 178b. *Et droit Aristote que ceulz furent folz du donner et le prince du recevoir, se il amoit le princey. Et nientmoins, aucuns sunt si pervers et si bestes que il funt croire au prince que tout est sien en propriete et que ce que un subject tient justement, il le peut prendre pour soy ou donner a un autre se bon lui semble; aussi comme se il fust Dieu en terre.*

⁶⁵ *Le Livre de Politiques*, 243b. *Il doivent recevoir les lays teles comme leur legislature leur bailla, et en doivent user en leur escolles et en jugements. Mes se par raison naturel, il leur apparoit que aucune tele lay ne fust pas juste ou expediente pour le bien publique, il le devoient monstrer par bonne prudence en lieu et en temps et en maniere licite.*

the job of the king to “judge not as a lawyer subject to that law, but as he who has political prudence in himself.”⁶⁶ From the king’s well-formed virtue, he is to judge; laws merely provide “les moules et les mesures” by which to do so.⁶⁷ It was for this reason that “the king must exceed all others in excellence of virtue.”⁶⁸ To replace a prudent judge with abstract laws is to supplant a just model of governance.

In a real sense, the king is to be nothing other than a judge: he cannot legislate; he must assume the virtues and pronounce verdicts from the basis of local laws. As Oresme claimed in the *De moneta*:

The prince should not enlarge his dominion over his subjects, should not overtax them or seize their goods, should not allow or grant them liberties, and should not interfere with them or use his plenary powers but only a power regulated and limited by laws and customs. For few things, as Aristotle says, should be left to the decision of a judge or a prince.⁶⁹

The king, we can say, played only a remedial role, taking action where injustice needed to cease. He did not exercise his will to impose a particular order upon his subjects: he handled disputes where they arose. The people’s freedom, Oresme states above, ought not be supposedly granted from the king; it is only protected by him. He suggests that this model of kingship is seen in 1 Samuel. Speaking of the transition between the age of Judges and the rise of the Israelite monarchy in the book of 1 Samuel, Oresme writes:

It is certain that Samuel governed the people of Israel as a king, and that he was a true king... how was it that he was called “Judge”? Perhaps because in that country and at that time they did not call those kings except those who held foreign (*barbarique*) monarchies.⁷⁰

⁶⁶ Ibid., 244a. [Et apres, selon ce.] l’en doit jugier non pas comme legiste sousmis a celle lay, mes comme celui qui a en soy prudence politique.

⁶⁷ Ibid.

⁶⁸ *Le Livre de Politiques*, 109a. *Le roy doit exceder tous les autres en excellence de vertu.*

⁶⁹ *De moneta*, 45. *Princeps non multum amplificet dominium supra subditos, exactiones capciones non faciat, libertates eis dimittat aut concedat, nec eos impediat, neque utatur plenitudine potestatis sed potencia legibus et consuetudinibus limitata uel regulata. Pauca enim, ut ait Aristotiles, sunt iudicis uel principis arbitrio relinquenda.*

⁷⁰ *Le Livre de Politiques*, 150a. *Que Samuel gouverna le peuple de Israel comme roy et que il fu vray roy... combien que il fust appellé juge? Car peut estre que en ce pais et en ce temps, il ne appelloient roys fors ceulz qui tenoient monarchie barbarique.*

Samuel is, in a certain sense, Oresme's model king, for he renders verdicts according to the principles of the law and thereby preserves "a true kingdom [in which] the subjects are citizens and free."⁷¹ He contrasts Samuel to the foreign monarchs, which, contextually, refers to the kings who claimed to be gods. Of course, conformity to the laws, as opposed to the will of the king, are not ends in and of themselves, as should be clear: "the polity or the health of the polity is the reason why the law exists."⁷² Ultimately the laws point beyond themselves and to freedom in virtue: "the contemplative life is the most perfect [life], and in her is the most principal joy of man in this mortal life. And by this it follows as was said that in this life is the main felicity of the whole city."⁷³ Speaking of those cities that reject the idea that God is fundamental to civil life, Oresme says: "And the community which would be in this error would not have a good life and would not participate in the end and felicity of the city, which is contemplation and divine cultivation."⁷⁴

To help achieve this end, Oresme cites the authority of Augustine who promotes small but reliable polities to achieve the common good: "human beings would be more blessed if the kingdoms were small."⁷⁵ He agrees with Aristotle's claim that the ideal polity be "surveyable", and further comments: "Self-sufficiency determines the minimum size of a city, and governability the maximum size."⁷⁶ He has certain checks, as it were, to suggest when a polity grows too large.

⁷¹ Ibid., 149b. *Item, en vray royalme Les subjets sunt citoiens et frans.*

⁷² Ibid., 166a. *Et la policie ou le salut de la policie est la fin pourquoy est la lay.*

⁷³ Ibid., 285a. *Et en elle est la tres plus principal felicité de homme et meisme en ceste mortel vie. Et par ce s'ensuit comme dit est que en tele vie est la principal felicité de toute la cité.*

⁷⁴ Ibid., *Et la communité qui seroit a celle erreur ne avroit pas bonne vie et ne participeroit nullement en la fin et felicité de cite, laquele est contemplation et divin cultivement.*

⁷⁵ Ibid., 292a. *Item, que royalme doie estre de quantite moderee il appert par Saint Augustin ou quart livre [cap. 3] de la Cite de Dieu, la ou il dit en sentence que les choses humaines fussent plus beneurees se les royalmes fussent petis et voisins par concorde.*

⁷⁶ Ibid., 289b. *Et donques par soi souffisante est le terme de cité vers petitece, et ordenance est le terme de cité vers grandeur.*

It seems that God and nature has ordained the earth to have many sovereign princes because there are so many regions divided or separated by seas or by large rivers or lakes, by forests, by deserts, by mountains, by inaccessible or uninhabitable places so that some cannot converse with the others and such conversations are required among people of a kingdom and their rulers.⁷⁷

His main criterion is the last cited: language. This may be an Augustinian point that understands God's ordination at Babel, dividing the nations by language, to suggest that a people must be able to relate to one another; the tyranny, and tools of tyranny, found at Babel were thwarted by diversified language—and to language groups we ought to keep. But it also is, perhaps, a Ciceronian point that recognizes language as the grounds of reason for a thriving civilization. The two are certainly complementary. At Oresme's time, various languages abounded, in part through the inherent localism of small polities. Languages differed even down to the parish level, which “became known derogatorily as patois.”⁷⁸ Whether or not Oresme had this in mind, or the more general *langue d'oïl* and *langue d'oc*, which divided the north and south, respectively, he did not say. But the ultimate principle was that the size of the polity hinged upon the prince's ability to know his people; with too large a polity, “the prince cannot have sufficient knowledge of so many cases. And thus he will necessarily make bad appointments and distributions of honors and of the goods of office.”⁷⁹

This orientation toward the personal, the local, and subsidiary is ultimately the defining features of Oresme's political theology. At the beginning of his commentary on the *Economics*, Oresme stipulates the content of economics and politics, stating: “One

⁷⁷ Ibid., 291b. *Item, il semble que Dieu et nature ne veulent pas tele monarchie; mes semble que il aient ordene terre que pluseurs soient souverains princes parce que pluseurs regions sont divisees ou separees par mers ou par grans fleuves ou palus, par forests, par desers, par montaignes, par lieuz inaccessibles ou inhabitables pourquoi les uns ne peuvent converser avec les autres de tele conversation comme requise est entre gens d'un royaume ou d'une policie.*

⁷⁸ A. Judge, *Linguistic Policies and the Survival of Regional Languages in France and Britain* (New York: McMillan, 2007), 14.

⁷⁹ *Le Livre de Politiques*, 289b. *Ce est assavoir malves jugemens. Car le prince ne peut congnoistre de tant de causes. Et convient que il face malveses commissions et distributions de biens d'offices et de honeurs.*

should know that moral science [politics and economics] seeks to regulate voluntary human activities and direct them towards the good and virtuous.”⁸⁰ This implies, he clarifies, that “politics and economics are not mechanical arts nor are they concerned with such matters.”⁸¹ To read Oresme’s work as did Hector Estrup, who says of Oresme’s *De moneta*, that it has a “technocratic attitude,” is missing the mark.⁸² The role of the king is not to focus on “buildings or walls”, Oresme says, but to cultivate the life of virtue in active living as well as divine praise in the contemplative life—to nurture the common good. This, for Oresme is the common good: “the good which is common by its nature which concerns everyone, for example justice and the peace of the country, and divine worship.”⁸³ Thus the common good, for Oresme, is not a particular arrangement, that is, the production of efficient and necessary roads or buildings, but of ultimate ends: the achievement of virtuous living and faithful worship. The king’s role in this is remedial; it is to protect a free social order when justice is violated so that virtue can be freely developed in relationships of love instead of unfamiliar courts. If the king turns from this proper role, he is “unjust” and no longer seeks “the noble good of virtue.”⁸⁴

This is an important consideration for what Oresme does in his *De moneta*. He is not concerned with a technocrat invention or a comprehensive legal institution to ensure a more just social order; these are concerns that he associates with pagan societies. His goal is virtue, which is also his compass. The context for virtuous living is vulnerable to a free

⁸⁰ *Le Livre de Yconomique*, 807. *Pour miex entendre cest livre l’en doit savoir que science morale est pour reguler les operations humaines volontaires et pour adrecier les a bien et a vertu.*

⁸¹ *Ibid.*, 808. *car politique et yconomique ne sunt pas ars mecaniques ne de teles chose.*

⁸² Estrup, “Oresme and Monetary Theory”, 103.

⁸³ *Ibid.*, 78b. *bien qui est commun de sa nature et resgarde tous, si comme seroit justice et la paix du pays et le cultivement divin.*

⁸⁴ *Ibid.*, 127a.

choice to sin and compromise the peace.⁸⁵ As we shall see, his understanding of good versus bad money stems from his critical consideration of the dispositions of the souls that produce them. The question remaining is, How does a king, who does not overstep his authority, utilize money? And how does a tyrant strategically use money for his own gain? That is Oresme's concern in his *De moneta*.

*The Text of the De Moneta*⁸⁶

The remainder of this chapter attempts a critical reading of Oresme's *De moneta*, in which he endeavored a philosophical analysis of money. The first and last time this has been done was at the pen of Émile Bridrey in his French text, *Nicole Oresme* produced in 1906.⁸⁷ For all of his historical finds, Bridrey pushed forward certain monetary ideas on Oresme and other scholastics in this text to the degree that his work now suffers from certain reasonable skepticism.⁸⁸ And as he offered a relatively brief summation of Oresme's treatise, it is due time the academy consider the work as a whole again. In this chapter, I ultimately conclude that Oresme understands money to be a political tool that, depending on its variable nature, can be used by the community to cultivate justice or by the king to extend the perception of his sovereign control.

While we have no autograph of the *De moneta*, there are nine manuscripts and nineteen printed copies of the Latin text produced within the century following its

⁸⁵ This was not only Oresme's position but the towering scholastic tradition's as well. See, Thomas Aquinas, *In VIII Libros Politicorum Aristotelis Commentarium* 1.10; Ptolemy of Lucca, *De Regimine*, 3.20; 4.1, 18; Aegidius of Rome, *De Regimine Principum* 3.2.2; 2.1.14; Engelbert of Admont, *De Ortu, progressue et fine Romani Imperii*, 16.

⁸⁶ I will cross reference his other works throughout this section—as well as compare his ideas to those of Thomas Aquinas for the sake understanding him next to the universal doctor.

⁸⁷ Bridrey, *Oresme*, 184–230. Langholm on the first page of his book on Oresme, *Wealth and Money in the Aristotelian Tradition*, states that his project was little more than testing the hypothesis that Oresme built upon the preceding scholastic tradition on money.

⁸⁸ For example, see the critiques of Langholm, *Medieval Economics*, 192–193; *Wealth and Money*, 18; Menut, “A Provisional Bibliography of Nichole Oresme” in *Mediaeval Studies* 28, (1966): 279–299, 279; Woodhouse, “Who Owns the Money”, 89.

authorship.⁸⁹ The various copies reveal a scant number of textual variances, as Charles Johnson notes in his critical edition of the Latin text.⁹⁰ As mentioned, Oresme himself rendered his Latin treatise into French. This appears to have resulted in Charles V tasking Oresme with a multi-part translation campaign, which included renderings of the *Politics*, *Economics*, *Ethics*, and *On the Heavens*. He did so, Oresme explains in his introduction to the *Ethics*, not for Charles' own enjoyment, but for "the common good, to have them translated into French, in order that his [Charles'] counselors and others may be better enabled to understand them."⁹¹ It seems reasonable to suspect that this was the same justification for translating the *De moneta*, especially as both John II and Charles V would have had a strong command of Latin.

We do have copies of Oresme's translation: the French versions are less common with only four known manuscripts. No one has yet produced a critical edition of these texts, though Johnson makes frequent comparisons to them in his edition of the Latin.⁹² Despite his many translations, Oresme himself bemoaned his French having never been trained in reading or writing it.⁹³ But he also lamented the poverty of the French language itself at the time. In fact, he offered no less than 450 neologisms throughout his translations, stating that Latin had a dynamism of ideas that French could not boast of: "Et comme il soit ainsi que latin est a present plus parfait et plus habondant langage que

⁸⁹ Bridrey, 23–31; confirmed later by Menut, "Bibliography", 289; Serge Lusignan, "Intellectuels et vie politique en France à la fin du Moyen Âge" in *Les philosophies morales et politiques au Moyen Âge*, ed by B. Carlos Bazán, Eduardo Andújar, and Léonard G. Sbrocchi (New York, Ottawa: LEGAS, 1995), 267–281, 270.

⁹⁰ See above, Johnson, *De moneta*.

⁹¹ Oresme, *Livre de Ethiques*, 99.

⁹² "Nicole Oresme" in *Brepols Medieval and Early Modern Bibliographies*, accessed http://ezproxy-prd.bodleian.ox.ac.uk:2078/bmb/metrics/metrics.cfm?action=metrics_author_result&source=IMB&source=BCM&source=IBHR&author=&year_from=&year_to=&id_list=74839.

⁹³ "Toutesvoies, quoique je dy, je le soubmet a la correction de ceulx a qui il appartient et supplie que on me ait pour excuse de la rude mainere de parler, car je n'ay pas aprins de (estre) acoustume de riens bailler ou escrire en francois" from the prologue to the *Livre de Divinacions*, fol. 39 r2, found in Babbit, "Le Livre", 8. See also, *Le Livre de Politiques*, 232b.

François, par plus forte raison l'en ne pourroit translater proprement tout latin en François.”⁹⁴ For these reasons, we will prefer the Latin text, while giving reference to the French when clarification is needed and trusted.

Oresme divided his treatise into twenty-six short chapters for a total of roughly 10,000 words. In it, he argues in a manner, he says in the prologue, that was “chiefly according to the philosophy of Aristotle” (*secundum philosophiam Aristotilis principaliter michi uidetur esse dicendum*).⁹⁵ It seems clear that by this he is not only taking insights from Aristotle’s works, as well as the scholastic commentators on them,⁹⁶ but also from his methodology. For instance, he arranges the first fifteen chapters according to Aristotle’s four causes. Chapter 1 considers money’s final cause: “*Propter quid moneta sit inventa*”. Chapters 2 and 3 explicate money’s material cause: “*De qua materia debet esse moneta*” and “*De diversitate materie monetarum et mixtione*”. The formal cause he treats briefly in Chapter 4: “*De forma vel figura monete*” before spending the following eleven chapters on money’s efficient cause.⁹⁷ The volume of text dedicated to this last question not only reveals the main concern of the treatise but also the importance of the efficient cause to the evaluation of this particular human artifact.⁹⁸ The

⁹⁴ Oresme, *Le Livre de éthiques d’Aristote*, 100. For neologisms, see Babbit, “Oresme’s *Livre de Politiques*”, 10.

⁹⁵ *De moneta*, 1.

⁹⁶ Oresme did borrow heavily from many of these sources, as alluded to earlier; this is the way in which Langholm, *Wealth and Money*, 3 interprets Oresme’s meaning here.

⁹⁷ A legitimate question may be raised as to whether or not Oresme believed artifacts to have a form. It is clear from the chapter that he is merely referring to a physical form, an extension of the material cause—an exploration worthy of itself. There is not strong evidence that this feeds into a nominalist tendency that some have discussed in his work, yet I am unconvinced of.

⁹⁸ Medieval students were trained, according to Avicenna, that there were four aspects of an efficient cause. The first is the perfective cause, which completes projects (ie a builder who finishes the house). The second is the dispositive cause who prepares the materials (ie cuts the wood boards). The third is the auxiliary cause who works for a different end but is necessary (ie chops down the tree to sell others for whatever purpose, in this case, a home). Finally, there is the advisory cause who designs the blueprint (ie the architect). Each of these aspects influences the teleology of the object in question.

chapters following Oresme’s evaluation of the efficient cause broadly fall into the category of The Political Consequences of Changing Money’s Nature.⁹⁹

A final word before we proceed to the text: The word *moneta*, during Oresme’s time, primarily referred to a mint or the right to mint coins, though “coinage” or “money” was a secondary meaning.¹⁰⁰ And Oresme selected this word, rather than the popular term *pecunia* or even *nummisma*, as a subtle wordplay in his title because Oresme’s primary concern is money in its relation to the minting system, beginning the treatise saying, “Some men hold that any king or prince may, of his own authority, by right or prerogative, freely alter the coins circulating in his realm, and regulate as he will.”¹⁰¹ And it is this opinion that he challenges. Though in his treatise he uses *pecunia* and *nummisma*, both often and even interchangeably with *moneta*, his chapter titles—most of which include the word *moneta*—constantly remind the reader to recall that the creation of money is an integral component to its function. In the fourteenth chapter, Oresme calls attention to the word choice and its (mistaken) etymology. Speaking of a prince who devalues the currency, Oresme says, “He misuses the word ‘money’, for Huguccio [the Grammarian] says: ‘*Moneta* is so called from *moneo* [to warn], because it warns us against fraud (*fraus*) in metal or weight.’”¹⁰² It is Oresme’s goal to demonstrate how the

⁹⁹ Langholm, *Wealth and Money*, 90–1, offers a different organization: The Nature of Money (Ch 1–8); The Debasement of Currency (Ch 9–14); The Social and Political Ramifications of Debasement (Ch 15–26). I have borrowed his last category. And while the first two do provide a neat order to the book, and one that is certainly clarifying, it misses the Aristotelian categorization that Oresme himself suggests we follow in evaluating his text. Most of all, it actually tends to suggest that Oresme believes there is only one nature of money, which Langholm himself seems to have thought.

¹⁰⁰ “Moneta”, DMLBS, 1a, 2a

¹⁰¹ *De moneta*, 1. *Quibusdam videtur quod aliquis rex aut princeps auctoritate propria possit de iure vel privilegio libere mutare monetas in suo regno cur et de eis ad libitum ordinare.*

¹⁰² In his commentary on the *Politics*, Oresme confuses this word with *maneo*, to remain, saying: “Money by its nature wishes to remain at one value. And Huguccio says that the word ‘money’ is derived from a verb which means ‘to remain’,” *Livre de Politique*, 64a. But Oresme does have the correct citation here: “Item, a moneo habemus moneta, quare moneat ne que fraude (sic) in metallo vel in pondere sit; unde monetarius realis, et monetarius-a-um. Et habemus monetarium locum monete, que eciam habemus monetum dicere. Et habemus monedula—ie, quaedam avis quam vulgo dicitur taccula que monetula, quia cum aurum vel aliquid metallum invenit, aufert et occultat. Item, moneta dicant (sic) Juno, quia monuit Romanos per anserem,” found in Uggucione de Pisa [a de Ferrara], Bodleian, Laud 626, fol. 114c, 11.

efficient cause—and the disposition of the efficient causer—alters the nature of the artifact.

The Final Cause of Money

Oresme begins his treatise with the question: *On what account was money invented?* He begins, as so many do, at the origins of money to find the answer. Unlike Aristotle's rather vague account of the origins of money, Oresme carefully situates the genesis of the process at a particular point in salvation history. He opens his treatise by citing Deuteronomy 32:8, "When the Most High divided to the nations their inheritance, when He separated the sons of Adam, He set the bounds of people"¹⁰³—in other words, after the Tower of Babel.¹⁰⁴ Oresme situates the setting in which people invented money, not only after the Fall, but also after the creation of the nations. At this era of history, which was broken up by different people groups with different languages, people "divided possessions as it was expedient" (*possessiones prout expediebat divise*).¹⁰⁵ This is a break from the prelapsarian situation of common possession, as he recalls: "In the beginning God not only gave freedom and dominion of things to princes alone but to our first parents and to all their offspring."¹⁰⁶ The creation of private property after the fall, while permitted and endorsed by the tradition as by Oresme, came with certain adverse effects.¹⁰⁷ "One man had more of one thing than he needed while another had little or

¹⁰³ *De moneta*, 4; Dt. 32:8.

¹⁰⁴ Not "in the time of Jacob" as mistaken by Woodhouse, "Who Owns the Money?", 106.

¹⁰⁵ Charles Johnson incorrectly translates *expediebat* as "reasonably"; Woodhouse, "Who Owns the Money?", 105, renders it: "to the best advantage." But Oresme is clearly talking about a process that did not lead to order but to chaos, and thus against reason.

¹⁰⁶ *De moneta*, 11. *Deus enim a principio non dedit solis principibus libertatem et dominium rerum, sed primis parentibus et toti posteritati.*

¹⁰⁷ Cf. *Livre de Politiques*, 82a. *Car par raison naturele et selon bonne policie, il doivent estre divisees quant a la propriete et communes entre amis quant a l'usage, combien que aucuns dient le contraire par ignorance de vraie philosophie.*

none of the same thing;”¹⁰⁸ thus, goods were divided in such a way that defied justice. This interpretation becomes more assured and clarified as Oresme, again in his *Politics* commentary, writes of this period: “After the time of Noah, when the peoples separated themselves and began to inhabit diverse regions, it is likely that several established ordinances and polities and laws rudely and less well composed.”¹⁰⁹ At his most acute critique, he references “the time of Nimrod (*Nemproth*),” the king of Babel,¹¹⁰ which is the same period after Noah, to describe the transition from kingship to tyranny. He writes: “subjects were in greater servitude to the royals than is appropriate. And so it was transformed from kingship to tyranny, as it was under Nimrod.”¹¹¹ This is a stark scene that he sets for the origin of money.¹¹²

Oresme immediately moves from the specific case of inequality between persons to the general case of inequality among kingdoms: “One kingdom abounded in one thing and lacked another.”¹¹³ People began to trade by barter but “exchange and transport of things gave rise to many inconveniences.”¹¹⁴ To circumvent this inconvenience, people invented money. Given the recent developments in the debate over the origins of money,

¹⁰⁸ *De moneta*, 4, *unus habuit de una re ultra suam necessitatem, alius vero de eadeam habuit parum aut nichil.*

¹⁰⁹ *Livre de Politiques*, 98a. *Après le temps de Noé, quant les gens se espartirent et commencerent habiter diverses regions, il est vraisemblable que plusieurs establirent ordenances et policies et lays rudement et moins bien composees...*

¹¹⁰ “Cush became the father of Nimrod; he was the first on earth to become a mighty warrior. He was a mighty hunter before the LORD; therefore it is said, ‘Like Nimrod a mighty hunter before the LORD.’ The beginning of his kingdom was Babel, Erech, and Accad, all of them in the land of Shinar.” Gen. 10:8–10.

¹¹¹ *Le Livre de Politiques*, 233b. *Ce est a dire par quoi les subjects fussent en plus grande servitude que il ne appartient a royalme. Et ainsi estoit mue royalme en tirannie, si comme fist Nemproth.* Situating the creation of unjust private property at the time of Nimrod is a common medieval position, stemming from Augustine’s *City of God*. John Duns Scotus, when discussing the emergence of private property references both Nimrod and Noah. Oresme seems to begin his treatise with a standard position. See *Ordinatio* IV, dist. 15, q. 2 (Quaracchi: Vatican City, 1954).

¹¹² Foucault likewise sees money as an invention during the time of tyrants, but goes further to say that money was in fact the invention of tyrants—or, he qualifies, at least in Corinth. “These measures are established in the seventh and sixth centuries, in the epoch of tyranny; and often by the tyrants themselves... The institution of money appears at the heart of this practice of measurement.” *The Will to Know*, 133–4.

¹¹³ *Ibid.* *una eiam regio superhabundavit et deficit in alio.*

¹¹⁴ *Ibid.*, 4. *Sed cum in huiusmodi permutacione et transportacione rerum multe difficultates acciderent.*

it is important to note that Oresme does not mention barter first occurring between individuals within the same principalities but between merchants of different regions, thus avoiding the anthropological assumptions of liberal theorists.¹¹⁵

Oresme finishes his first chapter by stating that money is a useful good—for both a community and a kingdom—in justly reapportioning material goods. He knows of an opposing opinion—one that suggests money leads to evil—and cites Ovid to represent it: “Effodiuntur opes, irritamenta malorum, / iamque nocens ferrum ferroque nocencius aurum prodierat...”¹¹⁶ He critiques Ovid for leaving out the human element from his condemnation of money: “that is caused by the perverse greed of wicked men, not by money itself.”¹¹⁷ Oresme makes it a point to say money was invented through human “ingenuity.” *Subtilitas* refers to both the skill of workmanship as well as an adept perception of judgment.¹¹⁸ Money, according to Oresme, is an artificial good (*instrumentum artificialiter; artificiales divicie*).¹¹⁹ This correction is not trivial. Most modern analyses of money leave out the human component, and that is precisely the aspect of money that Oresme addresses. Even when Oresme comes to speak about money more directly he states, “[money] is a convenience for human interaction, and whose use is essentially good (*cuius usus de per se bonus est*).”¹²⁰ He does not say that money itself is essentially good but its use, again returning to the human dimension. The use is good insofar as it is an instrument for the exchange of natural riches that nourish and sustain a community. Part of the reason that he is so intent to correct this apparent absolutizing of

¹¹⁵ *De moneta*, 4.

¹¹⁶ *Ov. Meta* i.140–2.

¹¹⁷ *Ibid. peruersa malorum cupiditas, non ipsa pecunia.*

¹¹⁸ “subtilitas, subtilitatis”, DLMBS.

¹¹⁹ See *De moneta*, 4–5.

¹²⁰ *De moneta*, 5.

money is because he ultimately discusses the ability to change money's nature, which we shall come to.

Thus, Oresme departs from the idea that money itself is the root of all evil. But he does give nod to the idea that a money economy is not ideal. Indeed, it was invented at a time when goods were not equitably divided and kingdoms began to fall into corruption. Money did not arise during the Age of Innocence but the Age of Nature, during a time of descent into confusion and sin.¹²¹ Money is an invention to attempt order within disorder. Thus, money is only a remedial good. He ensures we know this in his *Politics* commentary: "it [money] is not necessary for human life."¹²² He never discusses a world without money, but he gives us a subtle allusion to it as he suggests that the metals ought really be used for bettering the mundane.¹²³ But for now, the use of the metals as money is necessary.

Material Cause

As money is "an artificial instrument for the exchange of natural riches" (*instrumentum permutandi divicias naturales*) it is important, says Oresme, that money is to "be a fit tool for the work."¹²⁴ He lists three criteria: (1) that it is easy to handle and to feel with the hands (*sit faciliter manibus attractabile seu palpabile*); (2) that it be light to carry (*leviter portabile*); (3) it is proportionally more valuable than the goods needing to be purchased, (*quod pro modica ispius porcione habeantur divicie naturales in quantitate maiori*).

Oresme clarifies this third point by stating, "the coin must therefore be made of a precious

¹²¹ Like most scholastics, the four stages of history proved important axioms throughout Oresme's work.

¹²² *Livre de Politiques*, 64b. *argent, qui ne est pas neccessaire a vie humaine*. He continues: *Car l'en se passeroit bien sans ce et ne vaudroit que un peu combien qu'il fust bon pour faire vaisselle ou autre chose*.

¹²³ Rev. 21:21. See note above for Oresme's own idea.

¹²⁴ *Ibid.*, 5. *consequens fuit quod ad hoc tale instrumentum esset aptum*. For more on the origins of money's categorization as an instrument in scholastic thought, cf. Langholm, *Wealth and Money*, 67–8.

and rare material, such as gold.”¹²⁵ This third criterion is significant as it suggests that the money object must itself be valuable based upon nature and not based upon fiat. Money’s artificial nature is indeed grounded on human ingenuity, but the money-object should itself be natural. Despite the fact that money serves as an artificial good, it still must have intrinsic value, and value disproportionately greater to what it is being traded for, so less need be carried. This appears to be the primary misunderstanding of Oresme’s thesis: he certainly affirms the artificial, conventional nature of money alongside his argument that money should be made out of precious metals. Insofar as he says this, he distances himself from the (much) later commodity theorists who state the gold *is* money. Oresme never makes this claim. Money, for him, *is* an invention. Just because money ought to be composed of a “natural” substance does not mean that it has a natural identity as money. This is an equivocation error.

Insofar as he makes the distinction between the natural substance of money and the artificial use of it as riches, there is in fact no distinction between his understanding of money and Thomas Aquinas’—which has been a point of confusion and misunderstanding in the secondary literature.¹²⁶ Oresme, like Aquinas, believed money was a convention. Similarly, Aquinas, like Oresme, believed money should be a precious metal. He dedicates an article in Question 77 of the *Secunda secundae* to the nature of currency and the importance ascribed to using precious metal as money, which is missed when scholars only rely on his commentary of the *Nicomachean Ethics*.¹²⁷ The money-

¹²⁵ Ibid. *Oportuit ergo quod nummista fieret de materia preciosa et rara, cuiusmodi est aurum* A large percentage of the money at the time was silver thus it is particularly interesting that he only lists gold.

¹²⁶ For example, see Langholm, *Wealth and Money*, 62; André Lapidus, “Metal, money, and the Prince: John Buridan and Nicholas Oresme after Thomas Aquinas” in *History of Political Economy* 29.1 (1997): 21–53; Rothbard, *History of Economics*, 74; Woodhouse, ““Who Owns the Money?””, 98. All these scholars juxtapose Aquinas as a credit theorist to Oresme as a commodity theorist.

¹²⁷ STh II-II. q.77 a.1 ad 1. Thomas lists certain natural benefits of gold, such as its beauty, which brings joy, or its medicinal properties, which bring health.

item certainly has a purpose beyond its natural essence, but this does not imply that the money object can be worthless, as Oresme will argue in the following chapters. There is an equivocation that needs clarification: the money object *should be* natural, such as gold or jewels, but money itself, whether Roman coins or USD, is not natural but artificial.¹²⁸

Part of the value of precious metals is their scarcity. This natural scarcity, Oresme surmises, is based upon God's own election: "Providence has ordained that man should not easily obtain gold and silver in abundance."¹²⁹ This is despite the attempts of people to undo or reverse this order, identifying alchemists as those who try to pervert God's natural order: "they cannot well be made by alchemy, as some try to do; being, if I may say, justly prevented by nature, whose works they vainly try to outdo."¹³⁰ Comparing Oresme's verdict on alchemists to Aquinas' is illuminating. The latter writes: "If, however, real gold were to be produced by alchemy, it would not be unlawful to sell it for the genuine article, for nothing prevents art from employing certain natural causes for the production of natural and true effects."¹³¹ Clearly there are different principles with which they begin their arguments. Thomas' concern is the purity of the object being sold, writing this conclusion within his question on fraud. But he does not consider the larger economic results, which Oresme suggests, is not only the financial predicament of inflation, but also the theological one, akin to usurping God's design.

¹²⁸ There is a perennial confusion that emerges from this based upon Aristotle's example of King Midas (*Politics* 1257b15), whose money does not protect him from dying of starvation. Alternative thought examples are often thrown about, such as replacing gold with bread—but at a certain point the bread is equally worthless as gold as one can only consume so much bread. These alternatives ignore Aristotle's most famous theory of the golden mean. All things must be held within reason. Too much gold and too much bread do not correspond to the virtue of temperance, which is itself a natural fulfillment of human need. Anything in excess is unnatural. Absolutizing one thing instead of holding it in consort with the rest of *needed* objects for proper living renders a predicament; it is not a problem completely unique to money.

¹²⁹ *De moneta*, 6. *humano generi provisum est ut aurum et argentum que sunt ad hoc aptissima non facile habeantur in copia.*

¹³⁰ *Ibid.*, 6. *necque possint per alkimiam leviter fieri sicut aliqui temptant quibus ut ita dicam iuste obviat ipsa natura cuius opera frustra nituntur excedere.* This is quite the contrast to St Thomas STh., II-II q.77 a. 2 ad 1:

¹³¹ STh., II-II q.77 a.2 ad 1

Oresme, however, does provide an allowance for alloying metals: Should a country not have access to precious metals, then the community should alloy the cheaper metal coinage, such as copper and silver but *not* gold.¹³² He does not offer a reason why it should be forbidden to alter gold here or elsewhere in his work apart from its immense worth. But even for copper, debasement must be done only in the most unusual of circumstances. “No mixture should be made except for the common good (*pro utilitate communi*), on account of which money was invented and by which it is naturally regulated.”¹³³ As an economic instrument, money must be relegated to the common good. The common good that money achieves, as he said, is the balance of necessities in a society. The danger with alloying, and why it can easily disrupt the common good, is that “the proportion of pure gold in it cannot readily be known.”¹³⁴ Whereas with alchemists, they disrupt the divine order of scarcity, with alloying currency, it is difficult to know the true proportions and relative scarcity. Alloying can only be done where “mistrust or fraud is of least importance” (*suspicio est minor vel deceptionis minoris*).¹³⁵ In this regard, Oresme shares the concern for money’s purity with Thomas. Far from the modern credit theorists of money who stipulate that money is merely a unit of accounting and not a real good, Oresme states that money ought to be grounded in the world of unique values.

When precious metals were not in abundance and a heavily alloyed coin had to take its place, Oresme stated that it ought to be, “made in a fixed proportion, such as ten parts of silver to one, or to three,” and “where such alloy or black money exists, the community ought to keep in some public place or places a sample of this proportion or quality of alloy, to prevent the prince (God forbid) or the moneyers secretly committing

¹³² *De moneta*, 7.

¹³³ *Ibid.*, 8. *ratione cuius moneta inventa est et ad quam naturaliter ordinatur.*

¹³⁴ *Ibid.* *nec facile possunt auri substantia et eius quantitas in mixtione cognosci.*

¹³⁵ *Ibid.*

this fraud in the alloy.”¹³⁶ Oresme’s argument for gold is primarily a negative one: that it is difficult to commit fraud with.

The reason why he prefers a commodity backing of money—which he affirms is a convention—is never well articulated. His criticism of “imaginary mathematics”, however, may be a clue. Aristotle outlined three levels of abstraction: first, an abstraction of a particular sensible thing—“this” plate or “that” table; second, there is mathematics, which abstracts from all matter; and third, there is metaphysical abstraction, which abstracts from matter and form.¹³⁷ Abstractions are always based upon reality, but the more distant they become from it, the easier it is to misrepresent the reality that it purports to define. Oresme’s pragmatic argument seems to be grounded in a more metaphysical point. He is not suggesting that gold money ought to be desired and used as gold. Rather, exchanges should be measured as closely as possible to the reality it is abstracting from, lest injustice slip in.

Formal Cause

Formal causes are whence a thing’s nature derives; the form of a subject renders it intelligible and identifiable.¹³⁸ As Aquinas says, “the form is a cause [because]... it completes the intelligible expression of a thing’s quiddity.”¹³⁹ As an artifact, money does not have an essential nature but an extrinsic one, which the efficient cause renders to it.

As a result, the formal cause is intricately related to the material cause—the one

¹³⁶ *De moneta*, 21–22. *Ubi fit talis mixtio uel nigra moneta, communitas debet custodire penes se, in loco uel locis publicis, exemplar istius proporcionis et qualitatis mixtionis, pro uitandis periculis, ne uidelicet princeps (quod absit) aut monetarii mixtionem huiusmodi occulte falsificent,*

¹³⁷ Arist. *Meta* 1061a34–b29.

¹³⁸ See for instance, Giles of Rome, *On Ecclesiastical Power*, 95: “Since the essence and character of a things is principally derived from its form and not its matter, the river is always the same and the people always the same, even though the water is not always the same and the persons are not always the same...” Likewise in Thomas, *Commentary on Arist. Meta*, 3.4§70: “the formal cause, which is the very substance of a thing by which we know what each thing is” in

¹³⁹ Aquinas, *Commentary on Aristotle’s Metaphysics*, 5.2§764.

influences and limits the other: “Form gives being and matter receives it,” as Aquinas says.¹⁴⁰

Immediately the quality of precious metal becomes apparent for altering the *nature* of money; if there is a lower grade of metal, the nature of money is different, and, according to Oresme, worse. But one would still phenomenologically refer to it as money. Even if the form is different and thus the way in which people behave toward one another differs as a result, we still expressly refer to it as money. Even in a museum, we do not identify a collection of Roman coins as a pile of metal but as money. This captures how Oresme refers to money, as he makes a distinction between “good money” (*bona moneta*), “bad money” (*prava moneta*), and “black money” (*nigra moneta*). Bad money is certainly still a form of money, but it is perverted, as he will continue to address.

The material substance must be well-disposed to receive the form that is generated by the efficient cause for the sake of the final cause. In other words, the moneyers (*monetarii*), those who coin the metal, should mint the metal appropriately for trade. Oresme says the formal nature of money, “should be of a shape and quantity suitable for handling and counting. It should also be of a material capable of being coined, malleable and fit to receive and retain an impression.”¹⁴¹ This is why, he continues, not all precious substances, such as gems, are fit for coins. Gems are rare, desirable, and precious, just like precious metals, but they are not malleable as gold and silver are and thus cannot be formed into coinage.

The form of money as coinage is predicated upon the need for the money-item to be well-measured and vetted for purity, which is difficult to determine. Thus, money

¹⁴⁰ Ibid.

¹⁴¹ Ibid., 9. *Porciones... debent esse figure et quantitatis habilis ad contractandum et ad numerandum, et de materia monetabili ac etiam ductibili atque receptibili impressionis.*

ought to be stamped “to indicate the quality and true weight.”¹⁴² He adds in a later chapter that the “stamp should be finely wrought and difficult to engrave or counterfeit,” lest a foreign prince mints a similar coin but with a lower weight so as to grow in wealth artificially.¹⁴³ Because there is the necessity of evaluating and marking the coins, there is then the question of who evaluates and who marks, which leads us to the efficient cause.

Efficient Cause

“Cui incumbit facere nummismata?” is the first chapter on the efficient cause, explicitly asking the same question begged in the last chapter. Oresme surmises that the person who was most well-known (*publicus*)¹⁴⁴ and with the greatest authority (*auctoritas*) ought to be the one who tests for the quality of the metal and seals with the *characteris impressio*. As the prince is the most public and authoritative person in a society, the community ought to assign (*deputare*) the task to him.

As the prince has this fundamental role in the creation of coinage, it is reasonable to inquire whether or not he owns or has partial ownership of the money. This is the question Oresme poses in his following chapter: *cuius sit ipsa moneta?* He determines that the prince does not have any ownership of the money: “[the prince] is not the lord or owner (*dominus seu proprietarius*) of the money currently in his principality.”¹⁴⁵ His first justification for this conclusion seems rather simple: money is to be a balancing instrument (*instrumentum equivalens*). What this suggests is that money does not require any interference; it is a component of the peace and thus one must not disrupt its use. The

¹⁴² Ibid., 9. *Quod autem impressio talis instituta sit nummis in signum veritatis materie et ponderis.*

¹⁴³ Ibid., 10: *Hec autem impressio debet esse subtilis, et ad effigiendum seu contrafaciendum difficilis.*

¹⁴⁴ This is a difficult word to render into English as it means: affecting, or available to the whole community or the state. *Publicus*, -a, -um *DLMBS*

¹⁴⁵ *De moneta*, 10. *Ipsa est dominus seu proprietarius moneta currentis in suo principatu.*

king ought not manipulate the coinage but rather protect it, as we have already seen. Furthermore, Nederman has aptly noted that, “since trade and commerce impact so markedly on the common good for Oresme, it should hardly be surprising that he identifies the enabling medium of money as the property of the community.”¹⁴⁶

Oresme begins another argument categorizing money as any other privately owned tradable good, such as bread or labor. It is in this context that he makes the defense that property was a post-lapsarian gift from God: “For it was not to princes alone that God gave freedom and dominion of things, but to our first parents and all their offspring in Genesis.”¹⁴⁷ In his French translation of the *De moneta*, Oresme renders *dominium* with “seigneurie.”¹⁴⁸ Susan Babbit analyzed this word within Oresme’s *Politics* commentary, which she determined meant, “a general and possibly intermediate sort of power, like feudal power.”¹⁴⁹ This is his understanding of private possession: not a total, absolutized ownership, but a manner in which it was managed for oneself as well as for others. In this regard, his idea of private property parallels that of Aquinas.¹⁵⁰ This illuminates his conclusion that money is the possession of both the *communitas* as well as *singularii personae*; it is a loose stewardship over a common object.

During his time, there were various theories about the nature of private property. Roman law, which Oresme condemned so forcefully in his *Politics* commentary, made the assertion that all was owned by the prince and from his jurisdiction private ownership flowed down to his subjects: “All things are understood to be owned by the prince.”¹⁵¹

¹⁴⁶ Nederman, “Community and the Rise of Commercial Society”, 7.

¹⁴⁷ *De moneta*, 10–11: *Deus enim a principio non dedit solis principibus libertatem et dominium rerum, sed primis parentibus et toti posteritati, ut habetur in Genesi* [1:28].

¹⁴⁸ Wolowoski, *Nicole Oresme*, 101.

¹⁴⁹ Babbit, “Oresme’s *Livre de Politiques*”, 65.

¹⁵⁰ STh II.II.66.1

¹⁵¹ Paul Krueger, ed., *Codex Iustinianus* (Cambridge: Cambridge University Press, 2014 [1877]), 7.37.3.1a: *Omnia principis esse intellegantur*.

The same notion was put forth by Guillaume de Plaisians, a counsel to King Philip IV (d. 1314), in order to justify the debasement of the currency.¹⁵² This philosophical conception of private property resulted in his very pragmatic policy decision to tax heavily and to debase the currency.

In contrast to the conception of a king as sovereign over all property, Oresme states that it is the king's job to ensure that no one, especially a foreign prince, robs the people of their wealth by replicating the design of the money with a lower weight. By doing this, the foreign prince and his people have not offered a fair and equal (*equivalens*) exchange for the goods they have received. They have received much for little, which Oresme says, "should be a crime... and it is a just cause for warring against such foreigners."¹⁵³ This clandestine theft is a subtle way in which to profit at the expense of one's neighbor, but it was also a manner in which the peace of the nation was disturbed, as he will demonstrate in great depth in the third part of his treatise. To recall his *Politics* commentary, the king is a judge, but he is also "the defender of the peace."¹⁵⁴ Insofar as a foreign monarch disrupts the peace, "the king has a just cause for war."¹⁵⁵ Because money was understood to be an element of the peace, defensible by the king, it was a possession of the free society. This is an important consideration for Denis Menjot, who argues that Oresme failed to propose measures to compel the king to administer money for the common good and even suggests that Oresme inadvertently strengthened the absolutist

¹⁵² According to Joseph Strayer, though Philip raised a heavy tax burden upon his people, he probably took more from debasing currency than from all other forms of levies. See, Joseph Strayer, *The Reign of Philip the Fair* (Princeton: Princeton University Press, 1980), 394. For Philip's debasements, see Cazelles, "Quelques réflexions à propos des mutations", 85–88; Peter Spufford, *Money and Its Use in Medieval Europe* (Cambridge: Cambridge University Press, 1988), 295–308, esp. 302–3.

¹⁵³ *Ibid.*, *est causa iuste bellandi contra talem extraneum*.

¹⁵⁴ *Le Livre de Politique*, 149b.

¹⁵⁵ *De moneta*, 10. *Hoc esset malefactum, nee aliquis potest de hoc habere priuilegium, quia falsitas est; et est causa iuste bellandi contra talem extraneum*.

cause.¹⁵⁶ But this fundamentally misunderstands the role of a king within Oresme's political theology. The king is not to actively alter and manipulate the legal arrangements of the polity, setting the social order for the citizens; indeed, that is anathema for Oresme. As discussed, the institutions that Oresme hopes people to form should be destroyable by vice.

Oresme foresees another opponent's rebuttal: Christ says that we are to render to Caesar what is Caesar's, which contextually references the coin. Would that not suggest that Caesar is "the lord or owner of the money"? Oresme claims that the inquiry does not surround the coin per se but the tribute. The "stamp was the means of knowing to whom the tribute was due."¹⁵⁷ As so many other scholastics do with this passage, Oresme ignores the historico-biblical context and instead assumes a coherent doctrine of the relations between the spiritual and temporal powers consistent with the western European society in which he wrote. In any case, he suggests that one can identify to whom a tribute ought to be paid based upon, "who fought the battles of the polity (*res publica*) and who, by reason of his authority (*ratione imperii*), coined the money (*fabricare monetam*)".¹⁵⁸ For Oresme, tribute and taxation did not spawn from the nature of money per se—a returning of an extension of the king back to himself—but precisely for the king to be able to do what he ought.

This is an important claim as many modern scholars have suggested that ancient kings adopted, even invented, coinage to pay their armies more easily.¹⁵⁹ Indeed, it works

¹⁵⁶ Denis Menjot, "La politique monétaire de Nicolas Oresme," in *Nicolas Oresme: Tradition et innovation chez un intellectuel du XIVe siècle*, ed. P. Souffrin and A. Ph. Segonds (Paris, 1988), 179–91, 190–91.

¹⁵⁷ *De moneta*, 11. *Christ itaque per hoc signavit posse cognosci cui debeatur tributum.*

¹⁵⁸ DMLBS, *fabricare* 1b "To coin"

¹⁵⁹ Ingham, *The Nature of Money*; Hudson, *Creating Economic Order*; Michael Hudson and Marc van De Mierop, eds., *Debt and Economic Renewal in the Ancient Near East* (Bethesda, MD: CDL Press, 2000). Bruce G. Carruthers and Laura Ariovich, *Money and Credit: A Sociological Approach* (Oxford: Wiley, 2013); L. Randall Wray, ed., *Credit and State Theories of Money: The Contributions of A. Mitchell Innes* (Cheltenham: Edward Elgar, 2004).

against the rising tide of state theorists on money who argue that money originated with kings' attempts to direct economic activity. But, in contrast to modern fiat currency, the *nature of simplex* money does not depend on the king's sovereign reign; its natural *form* is independent of the king, and therefore, he has no right to claim it. Money is a manifestation of the wealth of singular persons and the community as protected by, not defined by, the king. This is an obvious application of Oresme's political theology, which was determined to suppress tyrants from impressing their wills and order upon a free people.

Turning to his commentary on the *Politics*, we glean a few more insights regarding the proper relationship between money and the king. The first and most important insight is Oresme's staunch aversion to illicit taxation: "they impose tribute and extortions on the people with their tax revenues and public resources for their own gain without communal negotiation."¹⁶⁰ And as we saw, earlier in the same document he wrote: "A true king is self-sufficient, having no need of the goods of his subjects, especially in keeping his household and in maintaining his royal estate... therefore, whoever follows this practice [e.g., the rapacity of certain Israelite kings] would not be a true king."¹⁶¹ He saw a king living off the tribute of the people was not actually a part of the common good but a despotic attempt to live off the work of others.

Taxation was not always bad, in Oresme's vision; clearly there is a place for it otherwise he would not have written what he did about Caesar. In his commentary on the *Ethics*, he wrote: "[The king] does not eat the goods of his subjects for his polity to lead

¹⁶⁰ *Livre de Politique*, 208a. *car il imposent tailles et exactions sus le peuple la ou il prennent les revenues fiscales et le resor publique en applicant a leur propre profit et non pas as negoces communs.*

¹⁶¹ *Ibid.*, 150a. Cf. fn 54.

well. But when it comes to wars, there is a different injunction.”¹⁶² Thus, it is only for the direct benefit of the common good, for the sake of the community that owns the money, such as fighting battles, that they offer their money, *id est*, that taxation should be given.

With this conclusion, the prince then falls into what we may categorize as the auxiliary cause of the money. He produces the money, not for the sake of the money itself, but on behalf of another’s use.¹⁶³ If money is the possession of the people and not the prince, whose expense does the job of coining the money fall? His answer is rather simple: if the community owns the money, then they ought to pay for it. Just as they need to pay for their battles through a tax, so there is a tax for coining. He specifies that this payment ought to be either a *pensio*, which refers to a payment or upkeep costs, or a *porcio*, a proportion or fixed rate of the expense.

Oresme says little beyond this but takes particular note of the role the moneyers play in regularly producing coinage. Quoting Aristotle, Oresme says: “[money] desires to maintain the same value.”¹⁶⁴ Changing money, like changing law, he says, breeds distrust amidst the people even if it is a good alteration: “changes of this kind lessen the authority of the laws and the respect paid to them.”¹⁶⁵ Therefore, adjustments to coinage must be made infrequently, only for the benefit of the community. There are five ways in which a mint can change coinage: in form, ratio, name, weight, and material. He considers each in turn.

¹⁶² *Livre de Ethiques*, 434–435: *il ne ait mestier des biens de ses subjectz pour son bon estat mener. Mais quant au fait des guerres, il convendroit autre ordenance.*

¹⁶³ To exemplify an auxiliary cause, Thomas offers a soldier who fights a war not because he is involved in the issues at hand but for the sake of the king to whom obedience is owed. See Thomas, *On Aristotle’s Metaphysics*, 5.2 §768.

¹⁶⁴ *De moneta*, 13. Verumptamen... vult manere magis. Similar to the Greek: ὁμοῦς δὲ βούλεται μένειν μᾶλλον. In Aristotle, *Ethics* 5.5.14

¹⁶⁵ *Ibid.*, 12. *Mutaciones huiusmodi diminuunt ipsarum legum auctoritatem et reverenciam.*

It is important to note that Oresme's evaluation of the different types of changes that can be made to money begins with the dispositions of the king and the subjects; he grounds the various means of change in normative properties of soul. This is not only because he is still considering the efficient cause of money, but also because his understanding of politics and economics is that they "seek to regulate voluntary human activities and direct them towards the good and virtuous."¹⁶⁶ Thus, good money, for Oresme, is intricately connected to, even produced from, good dispositions of soul, whereas bad money is inherently related to vice.

Change in Form

There are two ways in which the form of coinage could be changed. The first is re-stamping the same coinage (*inscriberet nomen suum*). He says that this is not as bad as taking the old money out of circulation, because the same value is being maintained. But doing so frequently undercuts the trust in the money and, further, there is no reason to do this other than to have his own name on the currency. But this, Oresme says, "is an insult (*facere irreverenciam*) to his predecessors, and empty ambition (*ambicio vana*)."¹⁶⁷ Therefore, this way of changing the form should be rarely, if ever, applied.

The second way in which a prince or moneyer could change the form of coinage is by demonetizing the old money (literally: forbidding the circulation of old money: *prohibendi cursum monete prioris...*) and creating new. There are two just reasons for renewing the money. First, if a foreign prince or false coiners "maliciously (*maliciose*) copy or counterfeit the molds or dies of the money... [to] forge spurious (*falsa*)

¹⁶⁶ *Le Livre de Yconomique*, 807.

¹⁶⁷ *De moneta*, 14.

money.”¹⁶⁸ By false money, he does not mean that the medium of exchange that circulates throughout the community is not actually money; merely that the money is not what it purports to be. In this way, the foreign prince would be thieving from the community—offering something with little value for something valuable—and the prince would have a duty to protect his people by re-coining his currency (*expediret mutare modulos et figuram impressionis monete*).¹⁶⁹ Second, if the old money was damaged with age and did not hold the same weight that it used to, then it is also permissible to re-coin. In this way, it would merely be bringing the money up to its requisite standard; again, maintaining the peace.

Oresme then says boldly, “It does not seem to me that the prince should be able to demonetize the old money except for one of these reasons; for such a change would otherwise be unnecessary, scandalous, and to the damage of the community.”¹⁷⁰ Scandal is a word he mentions several times in the *De moneta*.¹⁷¹ The harm of scandal is “the risk of disobedience.”¹⁷² As we have seen, Oresme understands the role of the king to be primarily for the common good, “the good which is common by its nature, and which concerns everyone.”¹⁷³ But for Oresme as a Catholic priest, his understanding of common good includes divine worship.¹⁷⁴ Thus, insofar as a king’s actions cause his subjects to stray from obedience, he is a stumbling block for people on their way to virtue. Thus, the common good is not merely temporal but spiritual.

¹⁶⁸ Ibid.

¹⁶⁹ Ibid.

¹⁷⁰ Ibid. *Sed non uidetur michi quod princeps possit inhibere cursum prioris monete sine altera istarum causarum; alias enim talis mutacio esset preternecessaria, scandalosa et communitati dampnosa.*

¹⁷¹ Ibid., 13, 14, 18, 29–30, 36.

¹⁷² Ibid., 13. *periculum inobediencie.*

¹⁷³ *Le Livre de Politiques*, 78b. Cf fn 80.

¹⁷⁴ Ibid.

He continues to consider which dispositions would drive a prince to take the current money out of circulation, and he offers two: first, out of vanity (*ambicio vana*), as said above, and second, for unnatural profit or covetous (*cupiditas*). In either case, whether for vain ambition or greed, vice motivates the re-formation of the coinage. The latter idea of profiteering suggests that the prince would demonetize the currency in order to place coinage with a lower percentage of precious metals into circulation. This is his topic for the next section.

Change in Ratio

Oresme defines ratio as “the comparison or proportion (*comparacio vel habitudo sicut in proportione*) of one thing to another.”¹⁷⁵ But one cannot base this comparison on anything but a “definite condition” (*certa habitudo*), which he later calls a natural condition (*naturalis habitudo*). Because this ratio must correspond to reality, it cannot be arbitrarily changed, (*non licet voluntarie transmutare*).

If the prince were to scorn the natural order of precious metals, he could alter the ratio arbitrarily (*libitum immutaret*). “By fixing a low price for gold and buying it for silver, and then raising the price when he sold his gold or gold money, or by doing the same with silver, he could undeservedly draw his subjects’ money to himself.”¹⁷⁶ “Everyone,” Oresme continues, “can clearly see that this would be an unjust exaction and actual tyranny: indeed, it would appear outrageous and worse than that which Pharaoh did in Egypt.”¹⁷⁷ Here Oresme does not refer to Pharaoh’s harsh treatment of the Israelites in

¹⁷⁵ “habitudo, habitudinis” in DLMBS, refers to a physical reality or a mathematical relationship, per the third definition. In this context it seems clear that he utilizes the latter.

¹⁷⁶ *De moneta*, 15–16: *per hoc posset attrahere sibi indebite pecunias subditorum, ut si taxaret aurum ad paruum precium, et illud emeret pro argento, deinde augmentato precio rursum uenderet aurum suum uel monetam auream, uel conformiter de argento.*

¹⁷⁷ *Ibid.*, 16

the beginning of Exodus but to his harsh treatment to all Egyptians through the hand of Joseph during the seven years of famine. The author of Genesis records:

And Joseph gathered up all the money that was found in the land of Egypt and in the land of Canaan, for the grain which they bought; and Joseph brought the money into Pharaoh's house. And when the money was all spent in the land of Egypt and in the land of Canaan, all the Egyptians came to Joseph, and said, "Give us food; why should we die before your eyes? For our money is gone." And Joseph answered, "Give your cattle, and I will give you food in exchange for your cattle, if your money is gone." So they brought their cattle to Joseph; and Joseph gave them food in exchange for the horses, the flocks, the herds, and the asses: and he supplied them with food in exchange for all their cattle that year. And when that year was ended, they came to him the following year, and said to him, "We will not hide from my lord that our money is all spent; and the herds of cattle are my lord's; there is nothing left in the sight of my lord but our bodies and our lands. Why should we die before your eyes, both we and our land? Buy us and our land for food, and we with our land will be slaves to Pharaoh; and give us seed, that we may live, and not die, and that the land may not be desolate."

So, Joseph bought all the land of Egypt for Pharaoh; for all the Egyptians sold their fields, because the famine was severe upon them. The land became Pharaoh's; and as for the people, he made slaves of them from one end of Egypt to the other (Ge 47:13–21).

Oresme understands this to be an act of injustice—where those who have much take advantage of those who have little.¹⁷⁸ Though this was a voluntary exchange, one party only agreed to the terms of the transaction out of desperation. This is not a truly free act because their situation was a cause of coercion.

In an edict collected in his *Variae*,¹⁷⁹ Cassiodorus praises a royal decree that issued a fifty-percent tax break for Liguria and Aemelia—two poor provinces—and contrasts this with Pharaoh's severity which caused, "the freed man [to] groan no less than the captive wept."¹⁸⁰ Cassiodorus continues to say:

¹⁷⁸ This appears to be a common high medieval belief, namely, that voluntary agreement between two parties does not render a transaction just, as one party may be agreeing to the terms of the exchange out of desperation. Cf, STh., II-II q.77 a.1 resp; Langholm, "Economic Freedom in Scholastic Thought" in *History of Political Economy* 14.2 (1982): 260–283.

¹⁷⁹ Cassiodorus was a late Roman imperial official whose *Variae* collection, papers on public administration, were well known during the Middle Ages. Cassiodorus often appears as a source in the *De moneta*, indeed nearly as frequently as Aristotle. Nederman has convincingly suggested that Oresme utilizes this source to hint "at the practical tone [that he] sought to convey in the *De Moneta*." Nederman, "Community and the Rise of Commercial Society", 7.

¹⁸⁰ *De moneta*, 16, citing Cassiodorus, *Variae* XII.28.7

I believe the holy man [Joseph] was constrained by this necessity, that he should both satisfy a greedy Prince and assist an endangered populace. Let me speak by leave of such a father: it is so much more excellent to sell wholesome grain in liberty and to relax taxes on account of impoverishment!¹⁸¹

As we have seen, Oresme clearly agrees with Cassiodorus' sentiments on taxation, even going so far as to say that "a monopoly or a tax... of any public necessity is unjust" (*monopolium seu gabella*¹⁸²... *rei necessarie communitati iniusta est*).¹⁸³ He even claims that devaluing currency is worse than Pharaoh's actions. He says the same result—the king benefiting from the work of his people—is achieved without any voluntary consent from the people: "the monopoly of coinage... would be even more tyrannous, being more involuntary and not for the need of the community."¹⁸⁴ The semblances of freedom that led the Egyptian to sell himself into slavery is not even present in the citizen who is robbed by the deception of the king. The king could take the gold coins, multiply them by a third or a half, and then spend them freely, thus paying with money that represents no benefit to society in exchange for real goods people worked to cultivate. But no one could tell a difference in the coinage: they would be robbed of their goods without ever knowing it.

Oresme ends this chapter saying, "the community [which owns the money] alone has the view to decide if, when, how, and to what extent this ratio is to be altered, and the prince is in no way able to usurp it."¹⁸⁵ Recall from the *Politics* commentary that Oresme thought kings could not create new laws to immediately reform the peaceful order of the

¹⁸¹ Cassiodorus, *Variae* XII.28.7

¹⁸² A *gabella* was an indirect tax—a tax for an unspecified project. Cf, William M. Bowsky, "Direct Taxation in a Medieval Commune" in *Economy, Society, and Government in Medieval Italy* 7.1 (1969): 205–221.

¹⁸³ *De moneta*, 16.

¹⁸⁴ *Ibid*: *istu autem monopolium monetarum adhuc esset verius tyrannicum, eo quod foret magis involuntarium et communitati non necessarium.*

¹⁸⁵ *Ibid.*, 17: *ipsi soli communitati spectat decernere, si et quando, qualiter et usquequo immutanda est huiusmodi proportio, nec princeps hec sibi debet quomodolibet usurpare.*

city; and so he applies this method now, again alluding to the old maxim, *Quod Omnes Tangit*. Here, Oresme, clearly motivated by the same principle, sets the change of currency to the unanimous decision of the free people of the land.¹⁸⁶

Change in Name

There are two ways in which people name or refer (*appellatio*) to coins, says Oresme. The first is merely nominal (*nomina accidentalia*). For instance, the word dollar, which corresponds to no essential property, refers to the bills the US Treasury produces. It is merely a name. But there is a second way of naming which is “*essencialia et appropriata*” and that is by denoting value or weight. Penny, shilling, and pound are the examples that he offers.

Regarding both types of named coins—essential and nominal—Oresme says that renaming should not be done to no purpose (*frustra*)—and that if any of the coins are renamed, then the king must rename all the coins so as to capture the same proportion the previous names suggested.¹⁸⁷ But to do this “would be to no purpose, and therefore ought not be done.”¹⁸⁸ The only motivation for renaming that Oresme considers is a malicious one. A prince would rename a coin in order that pensions and rents (*pensiones vel aliqui redditus*) would be disproportionately higher. But this is mere theft and it would throw the rest of the economy into momentary chaos with certain incomes being “either reduced or increased unreasonably and unjustly to the damage of many.”¹⁸⁹ Someone may do this

¹⁸⁶ The community itself, however, had limits to the manipulation they could create. See below.

¹⁸⁷ *De moneta*, 18: *Si ergo appellatio unius immutetur et non alterius, iam variabitur proportio... Oportet igitur, si proportio remaneat immutata, et unum nummismata mutet appellationem, quod aliud etiam proportionaliter immutetur.*

¹⁸⁸ *Ibid*: *sed talis mutatio nominum fieret frustra, et non facienda est.*

¹⁸⁹ *Ibid.*, 18: *ubi vero essent, statim patet quod cum inconvenientibus predictis huiusmodi redditus ex tali mutacione proportionaliter minuerentur aut crescerent, irrationabiliter et iniuste, ac etiam in preiudicium multorum.*

with a good intention, to adjust for inadequate payments, but “they should be augmented by another special measure,” he says.¹⁹⁰ Thus he determines that there is no good reason to change the name of money, least of all by a prince (*et maxime princeps in nullo casu debet hoc attemptare*).¹⁹¹

Change in Weight

There are two manners in which princes alter the weight of their currency, Oresme says. The first is through an adjustment of weight that happens in consort with a change of form,¹⁹² and a change of weight or quantity without a change of name.¹⁹³ As he mentioned prior, the motivation to do this could either be good (when metal quantities surge or decline) or bad (driven out of greed).

His primary concern is with an alteration of weight or quantity of money “without a change of name or value” (*appellacione et precio*).¹⁹⁴ This he finds inexcusable for multiple reasons. First, because the coin holds the prince’s *imago sive superscriptio* and states a different weight and quality of the money than is there in reality.¹⁹⁵ Thus, the prince attests to a falsity, calling this act “*falsitas vilissima et deceptio fraudulenta*.”¹⁹⁶ The prince often seals quantities of corn and wine, he states, but it is simpler to detect if the quantity is off with these goods; the difficulty is greater with metal. The job of the prince is to determine and clarify the reality of weight for everyone. Forging that amount is simple fraud against people and, citing Cassiodorus, “against the very nature of the

¹⁹⁰ Ibid. *Deberent per alium modum specialem augeri*.

¹⁹¹ Ibid.

¹⁹² Ibid., 19. *si pondus nummismatis mutaretur, et cum hoc variaretur proportionaliter precium et appellacio cum figura hoc esset facere aliud genus monete*.

¹⁹³ Ibid., *de precisa mutacione ponderis seu quantitatis monete que fieret appellacione et precio non mutatis*.

¹⁹⁴ Ibid.

¹⁹⁵ Ibid.

¹⁹⁶ Ibid.

balance” (*sumptoribus liceat etiam in ipsa trutine qualitate peccare*),¹⁹⁷ which is an attack on “the proprium of justice which is known to be corrupt through this fraud.”¹⁹⁸

Second, the prince’s motivation for doing this would be to secure free labor and goods by “receiving money of good weight, re-coining it, and paying out coins of short weight.”¹⁹⁹ In this way, the balance of labor and goods becomes perverted as the prince earns wealth without corresponding work done for others. Oresme adds that “there cannot be any other motivation (*moveri*) for making the change in this way.”²⁰⁰

Change in Material

Oresme comes to the final section on the efficient cause by considering the efficient cause’s alteration of the material cause of money. In his third chapter, Oresme specified that there were rare but legitimate times in which the material of money could be changed, namely, when the supply of the particular metal drastically increases or decreases. As an example, he cites a time when copper money went out of use because it was too abundant. If money is to be a balancing instrument, then it must be stable. If such a situation occurred when the metal-quantity was low, then one could alloy the coinage but only of the cheaper metals. These alterations Oresme labels as “real and natural causes” (*reales et naturales causas*).²⁰¹

The prince has no authority to decide unilaterally to re-mint coinage with different metal, because this, too, would provide an opportunity to gain wealth at the expense of the community. Holding such unilateral decisions is precarious for the community as it

¹⁹⁷ Ibid., 20. There are certain discrepancies in the manuscripts here.

¹⁹⁸ Ibid. *ut quod est iusticie proprium datum, hoc per fraudes noscatur esse corruptum.*

¹⁹⁹ Ibid. *Reciperet enim nummismata boni ponderis et ex eis fabricaret et traderet nummismata tempore mutilato pondere.*

²⁰⁰ Ibid.

²⁰¹ Ibid., 23

offers a constant temptation to the prince to take advantage of his power. It seems that Oresme shares Aquinas' conviction that a purposeful decision to enter into the occasion of sin is considered a venial sin itself.²⁰² Here the moral and the practical merge into one singular concern.

Oresme considers the stamps on various coins: that they display the name of God or some saint. If the metal name could not be a witness to the genuine nature of the money in material and weight, then there is an issue of blasphemy at hand, Oresme says, citing the first commandment as proof. He further appeals to the great grammarian Huguccio of Pisa, his *derivationes magnae* and his etymological study of *moneta*, which he believes derives from *moneo* "because it warns us against fraud in metal or weight."²⁰³

Apart from the intrinsic evil of fraud, Oresme again states this is another way in which a prince could derive wealth based upon the work of his people. Yet he says that this type of deception would be worse than changing the weight of the metal because "it is more cunning and less apparent and does more harm and injury."²⁰⁴ In this condemnation, Oresme not only cites the results of the prince's actions, namely harm to the community, but also the viciousness of his actions.

As he has come to the end of this section of efficient causes of money, Oresme concludes that there is rarely a reason to change money, that it must be set and left, lest the authorities take advantage of the people from their vantage. He states that "there would not be any need to make a great deal of minting nor to have many moneyers at the public expense since the coins last a long time."²⁰⁵ Changing money—whether that be in

²⁰² STh I-II q 88 a3

²⁰³ Cf. fn 92.

²⁰⁴ Ibid., 22. *quia magis est sophistica et minus perceptibilis, et potest magis nocere et plus ledere communitatem.*

²⁰⁵ *De moneta*, 23

one of the manners mentioned or multiple—usually derives from the princes’ desire for “profit and gain” (*emolumentum vel lucrum*). He further determines that changing multiple factors at once—weight, name, ratio, or material—should “rarely, or perhaps never, happen.”²⁰⁶ The king’s primary monetary role was to ensure that nothing would change in the currency, that the peace was defended. The criterion for altering any one of the factors mentioned should be whether there are “real and natural causes mentioned, which very rarely occur.”²⁰⁷

Effects of Alteration

Regal Injustice

What Oresme does in the following several chapters is revisit and extend arguments he made in the previous chapter. As a result, there is certainly repetition, which we shall keep to a minimum. He begins by clarifying the role of the king in monetary regulation.

As we have pointed out, “a tyrant loves and pursues his own good more than the common advantage of his subjects and aims at keeping his people in slavery.”²⁰⁸ As noted while discussing his political theology, a tyrant attempts to disrupt the peace and the freedom of his people. He juxtaposes this to a true king: “a king, on the contrary, prefers the public good to his own and loves above all things, after God and his own soul, the good and public freedom of his subjects.”²⁰⁹ Thus the king will not profit off of his people in any manner for, “the amount of the prince’s profit is necessarily that of the community’s loss. But whatever loss the prince inflicts on the community is injustice and

²⁰⁶ Ibid.

²⁰⁷ Ibid. *Et quoniam nulla mutacio simplex debet fieri, nisi propter reales et naturales causas iam dictas, que rarissime accidunt, sciendum quod adhuc rarius, ymo forte nunquam, contingit uera occasio faciendi mutacionem monete compositam.*

²⁰⁸ Ibid., 42. Cf. fn 46.

²⁰⁹ Ibid.

the act of a tyrant and not of a king.”²¹⁰ He suggests that the tyrant may claim that he is indirectly doing good for the community, but Oresme condemns this consequentialist thinking: “we are not to do evil that good might come.”²¹¹ For inevitably the true consequences of this action lead to further evil: “It is probable that he or his successors would go on doing this either of their own motion or by the advice of their council as soon as this was permitted, because human nature is inclined and prone to heap up riches when it can do so with ease.”²¹²

He does not base this statement in pastoral admonishment but in an anthropological assessment of human nature. He further offers three reasons why this type of profit is wrong. The first is that the act of debasing currency is unnatural. The teleology of money is to sink it into exchange: “the natural use of money is as an instrument for the exchange of natural wealth. Therefore, anyone who uses it otherwise, misuses it against the natural institution of money.”²¹³ Like usury, debasement recapitulates the teleology of money from enabling just exchange to gaining an advantage over others. As the usurer sought a profit by charging for the use of money, so the king who engages in debasement sought a profit through ruining the integrity of the measure of exchange. But this is not merely an injustice against man but also against God. Oresme cites the Book of Wisdom, which states, “God ordered all things by measure, weight, and number.”²¹⁴ Therefore, when some prince debases currency, he “detracts from God and

²¹⁰ Ibid.

²¹¹ Ibid. *non sunt facienda mala ut eueniant bona*. Here he alludes to Romans 3:8.

²¹² Ibid., 25: *et uerisimile est quod ita procederet ipse uel successores sui, aut proprio motu aut per consiliarios, ex quo istud liceret, quia natura humana inclinatur et prona est ad augendum sibi diuicias, quando hoc potest leuiter facere.*

²¹³ *De moneta*, 26. *naturalis usus monete est, quod ipsa sit instrumentum permutandi diuicias naturales, ut sepe dictum est. Qui ergo utitur ea alia modo, ipse abutitur contra institutionem naturalem monete.*

²¹⁴ Wis 11:20

nature” because he attempts to become God in redefining the meaning and order of nature.²¹⁵

Oresme argues that debasement is a more depraved sin (*peccatum*) than the popularly debated economic sins of usury (*usura*) and money-changing (*campsonia*). He briefly summarizes the problems with usury—that it is against the nature of work: fruit only emerges from laboring for it—and with *campsonia*: that it provides no value-add to society and thus “can scarcely if ever be practiced without sin.”²¹⁶ To prove that devaluing currency is worse, Oresme returns to what I will call his freedom argument: that the people are *involuntarily* working for another’s gain. In other words, they become slaves without knowing it. In addition, the one who freely receives the interest-bearing loan “can enjoy the use of it and relieve his own necessity with it.”²¹⁷ Thus there is some benefit for the debtor taking an interest-bearing loan while there is only ignorance and impoverishment for those whose money has been debased.

He finally considers the vices in the soul of the prince who does alloy the coinage. He states four ills that the prince commits against the proper formation of his own soul. First, devaluing currency entails *fraud*, lying to one’s citizens, as he uses very strong language to do so: “namque nimis detestabile et nimis turpe est principi fraudem committere.”²¹⁸ Second, he *lacks obedience* to his duty to condemn people who attempt to take advantage of his citizens: “quomodo ergo satis potest erubescere, si reperiat in eo, quod in alio deberet turpissima morte punire?”²¹⁹ Third, he causes *scandal*, opening the door of temptation for people to no longer trust God and know his laws. Fourth, it mars

²¹⁵ *De moneta. Ergo Deo et nature derogat, qui sibi ex huiusmodi mutacionibus lucrum captat.* But this is not a technique that the god-kings of antiquity used to assert their rule, for debasement he suggests is, “a modern invention,” 29.

²¹⁶ *Ibid.*, 27.

²¹⁷ *Ibid.* 28. *Potest ex ea se iuvare ac inde sue necessitati succurrere*

²¹⁸ *Ibid.*, 30.

²¹⁹ *Ibid.*

the dignity of the royals to disallow “true and good money (*vere et bone monete*) to circulate in the kingdom due to their *greed* (*ex cupiditate precipere, ymo cogere subditos ad utendum minus bona moneta*).”²²⁰ In conclusion, Oresme mentions Rehoboam who lost the majority of his kingdom because he overtaxed the population. This was despite the cry of the people: “Your father put a heavy yoke on us, but now lighten the harsh labor and the heavy yoke he put on us, and we will serve you” (1 Kings 12:4). His subjects pledged their docility, but he chose ruthlessness: “Whereas my father made your yoke heavy, I will add to your yoke. Whereas my father scourged you with whips, I will scourge you with scorpions” (1 Kings 12:14). While alloying coinage is a more subtle technique than heavy taxation—or flagellation—it will likewise inevitably lead to a king’s power to be more precarious as he weakens those who are accumulating all wealth.

In the following chapters, Oresme evaluates the problems that face a society when they are subject to a regal devaluation of coinage before considering their rights and abilities as owners of the coinage.

The Financial Sector

Oresme suggests that there are three ways in which a society loses its wealth once the prince devalues the currency. First, the king directly takes their wealth through lessening the weight of precious metal in the coins, as has been discussed. The second is more intriguing:

On account of the alterations and debasements, the amount of gold and silver in the kingdom are diminished because they are carried to other places where they are purchased at a higher value. For men attempt to bring their money to the places where they believe it to be valued more.²²¹

²²⁰ Ibid., 31.

²²¹ *De moneta*, 32: *Rursum aurum et argentum propter tales mutaciones et impeioraciones minorantur in regno, quia non obstante custodia deferuntur ad extra, ubi carius allocantur. Homines enim libencius conantur suam monetam portare ad Ioca, ubi earn credunt magis valere.*

Bad money drives out good money, as Gresham later phrased it.²²² Of course, for Oresme, good money is not the end in itself: the true predicament with bad money driving out the good is that fewer products are brought into the community because the people can either no longer afford them or because merchants will take their goods to other lands where they can receive “monetam certam et bonam.”²²³ Thus, the worse money a kingdom has, the more difficult it becomes for people to procure the products they need.

Third, it is easier to counterfeit bad money than it is good money. Oresme, per his standard method of considering virtues and vices, suggests that counterfeits will rise because the king has created an occasion of sin:

The prince, also, by such variations and sophistications of coin gives vicious people an opportunity to coin false money, either because they consider that the prince has already done so and it is thus less against their conscience, or because the forgery is less quickly found out and they can more easily commit more crimes in these conditions than if good money were constantly circulating.²²⁴

²²² The only substantial difference identified among the various manuscripts is found in an early French edition which includes the pithy articulation of what we now call Gresham’s law, an economic doctrine that states “good money drives out bad” (B. N. MS. franç. 23926; this was the text produced by L. Wolowski himself, which caused the original excitement of the connection between Oresme and Gresham.) Our three oldest manuscripts are Parisian, two from the Abbey of St. Victor and one from St. Germain des Pres and take us back to the theology schools of the University of Paris at the end of the fourteenth century. The third from St. Germain’s includes a reference to the idea behind Gresham’s law—which is certainly *avant l’heure* of Gresham himself. While this is an interesting and historically insightful addition, it is one that goes unshared by the two earlier manuscripts in the Abbey of St. Victor. According to Albert Douglas Menut, “The only clear statement of this doctrine appears in an addition at the end of a manuscript written at least a decade after Oresme’s death [in 1382]. The passage in question was, in all likelihood, inserted by officials of the Flemish Mint,” [Menut, “Livre de Politiques”, 15b. Also, Henri Laurent, “Le Probleme des Traductions franaises du Traité des Monnaies d’Oresme dans les Pays-Bas bourguignons” in *Revue d’Histoire Economique et Sociale* 21 (1933): 13–24; Charles Johnson, *De Moneta*, xii.]

While the scholarship has clearly demonstrated that the addition of the pithy line was not original to Oresme, Schumpeter and Estrup have argued that Oresme understood and articulated the financial phenomenon that it summarized. Regarding the articulation of the line, the latter bluntly said, “considering its trivial nature, the question of priority is, however, without interest,” [Schumpeter, *History of Economic Analysis* (New York: Routledge, 1994 [1954]), 343. See also, Moss, “Nicole Oresme”, 104.] We must agree. Perhaps the preoccupation with the line itself is the reason why scholars have largely overlooked the actual insight itself.

²²³ *De moneta*, 33.

²²⁴ *Ibid.*, 35–36. *Item princeps per tales diuersificaciones et sophisticaciones monetarum dat malis occasionem faciendi falsam monetam, aut quia minus est contra conscienciam eorum ipsam falsificare, ex quo apparet eis quod ita facit princeps, aut quia eorum falsitas non ita cito deprehenditur, possunt facilius et plura mala hiis stantibus perpetrare, quam si semper curreret bona moneta.*

The king's sin ushers in further sin, either those who are morally depraved have the opportunity to act upon their perversion or it breeds the occasion of a new perversion in someone's soul who had not necessarily been subject to such temptations. This is akin to many arguments today that suggest that interest is permissible because everyone is charging it. The societal context leads one to believe that a sin is permissible. Ultimately, these predicaments result in an economic wasteland:

Because of these alterations, good merchandise or natural riches cease to be brought into a kingdom in which money is so changed, since merchants, other things being equal, prefer to pass over to those places in which they receive sound and good money. Furthermore, in such a kingdom internal trade is disturbed and hindered in many ways by such changes, and while they last, money rents, yearly pensions, rates of hire, ceases and the like, cannot be well and justly taxed or valued, as is well known. Neither can money safely be lent or credit given. Indeed many refuse to give that charitable help on account of such alterations.²²⁵

One error has many consequences. Another such consequence is more financial jobs that will arise as a result of the new monetary confusion. Oresme has already condemned usurers and money changers, but he speaks against bankers and dealers in bullion (*mercatores monete siue villonatores*). Within this condemnation is the conviction against speculative income. Oresme contrasts the speculative investor with churchmen, judges, soldiers, and farmers—those who add the most value to society versus those who add the least. The former group is “unnecessary to the polity.” Oresme suggests that these people actually make a profit from debasement alongside the king, in part, because they are well positioned to foreknow, and thus to take advantage of, the devaluation of currency:

When the prince does not announce beforehand the date and the scheme of the alteration, which he means to make, some persons, by their own cunning

²²⁵ Ibid., 33. *Item propter istas mutaciones bona mercimonia seu diuicie naturales de extraneis regnis cessant ad illud afferi, in quo moneta sic mutatur, quoniam mercatores ceteris paribus prediligunt ad ea loca transire, in quibus reperiunt monetam certam et bonam. Adhuc autem intrinsecus in tali regno negociacio mercatorum per tales mutaciones perturbatur et multipliciter impeditur; preterea hiis mutacionibus durantibus, redditus pecunie, pensiones annuales, locagia, censure et silnilia non possunt bene et iuste taxari seu appreciari, ut notum est. Item nee pecunia potest secure mutuo dari uel credi, et sic de talibus; ymo multi nolunt ista caritatiua subsidia facere propter tales mutaciones.*

or through their friends secretly foreknow it, buy up merchandise with the weak money to sell again for the sound, get rich quickly (*subito fiunt divites*) and make an excessive and undue profit against the legitimate course of normal trade.²²⁶

Far from the modern praise for the financier, Oresme once again condemns them saying they sin, “against God and against Justice, since they are underserving of such riches and unworthy of such wealth.”²²⁷ Like the person whose conscience is less enflamed to debase coinage after the king has done so, those that hear the king’s plans beforehand take advantage of this get-rich-quick scheme.

Oresme foresees the growth of the financial sector: merchants buying low and selling high; bankers vaulting the sharp increase in currency; money-changers administering the heavy taxation and determining the exchange value of various currencies. These jobs are functionally unnecessary—or, at least, far less needed—when good coinage is in use. Further, there is little opportunity for people to make a living off of these techniques when sound money is in existence.²²⁸ They are merely curative care at best; at worst, opportunities to surpass one’s neighbors without an equal amount given to that which was gained.

Oresme condemns this get-rich-quick scheme because they did not produce any real good but utilized their expertise of coins to profit themselves at the expense of others.²²⁹ They inserted the money economy into a realm where it did not belong: the purchasing of money itself. In so doing, they join the prince as being hidden masters of the poor slaves who do not know their fate.

²²⁶ *De moneta*, 34.

²²⁷ *Ibid.*

²²⁸ See Chapter 6 for this.

²²⁹ This is a common condemnation in the tradition. Consider Augustine: “To want to buy what is vile and sell what is dear is truly a vice,” (*De Trinitate* XIII.3); Aquinas: “The common desire [to sell dear and buy cheap] is not natural, but is a vice, and therefore common to many who walk on the broad way of vices,” (STh II-II q.77 a.1 ad 2); Pope John Paul II condemned speculation for the same reasons in *Centesimus annus*, §43, 48.

Perhaps this is the insight with the most foresight in the *De moneta*: that the rise of an administrative state involves the rise of a financial sector. This is where a class of disproportionately rich begin to artificially regulate the order of the economy and at the expense of other citizens. They are experts of the abstract, not the real. Oresme suggests this problem is born in debasement.

Rights of the Community

If the community owns the money, one may speculate that they have the right to do whatever they would like with it, as Woodhouse and Blythe have claimed Oresme argues. The contention of these scholars is that Oresme has foreseen the Enlightenment notion of popular sovereignty, with the former stating that Oresme’s “reasonable multitude, institutionalized in a General Assembly, is... what we would call the sovereign power,” and the latter saying: “Oresme provided a distinctive and uncompromising thesis of popular sovereignty within a new genre of political reflection.”²³⁰ Yet this notion is not codified in political institutions, as they suggest. While Oresme calls for the consent of the entire populace to create a new positive law, this is not, for him, an organized institution; in fact, he suggests a parallel to the General Assemblies of universities is even too strong.²³¹ But this was even when speaking of a democracy, which he unceremoniously rejects in preference for a monarchy.²³² Rather, he states, in keeping with the reconfigured Roman maxim *Quod omnes tangit*, that citizens—who are not

²³⁰ Woodhouse, 116.

²³¹ *Et tele chose est aucunement semblable à L’assemblée general des Maistres de l’Etude de Paris. Le Livre de Politique*, 274a. Blythe mistranslates this, stating the opposite: see Blythe, “Nicole Oresme”, 216.

²³² Within *Le Livre de Politique*, he has such high praise for monarchies such as they are “most divine” and “best in excellence”. Cf. *Le Livre de Politique*, 90a.

legally notarized but determined based upon their *de facto* contribution to society²³³—ought to vote when the rare occurrence of a new law has been proposed. For Woodhouse, popular sovereignty merely means that, “human positive laws must be made, promulgated, corrected, or changed on the authority and consent of all the community or its prevailing part.”²³⁴ This is, in fact, a quotation from Oresme (in which he himself quotes one of the tamer parts of Marsilius of Padua’s *Defensor Pacis*).²³⁵ But it fails to contextualize Oresme’s own conviction: the king must submit to God and to his people. The community, while not bound to do right by the king in this way, must still conform to the design of God. They are not perfectly free to do what they will. “It does not matter that we began by saying the community owns the money,” Oresme says, “because neither community nor anyone else has the right to misuse or unlawfully use his own property, as the community would be doing if it made such an alteration in the coinage.”²³⁶ Just as the

²³³ Ibid., 116b. *Ce est a dire, qui a auctorité de estre au conseil des besognes ou es jugemens. Et celui qui a tele auctorité de fait, il est citoien simplement, et celui qui ne l’a pas de fait et est de tele condition qu’il est habile et peut estre esleu a ce, il est citoien aucunement et non pas proprement. Et pour ce, en democracie tous sunt citoiens simplement, exceptés les enfans, les passé de eage, les serfs, les estranges et ceulz de ville condition ou de vile office, et aussi en timocracie. Mez es autres policies aucuns sunt citoiens simplement et les autres aucunement.*

²³⁴ Woodhouse, 115.

²³⁵ I say this in contradistinction to the scholars who seem to have assumed a view of medieval scholastics always masking their true convictions due to fear of papal indictments. For examples of these dismal articles, see Thomas M. Izbicki, “The Reception of Marsilius” in *A Companion to Marsilius of Padua*, ed. Gerson Moreno-Riaño and Cary J. Nederman (Leiden: Brill, 2012), 305–34, 311–12; Cary J. Nederman, “A Heretic Hiding in Plain Sight: The Secret History of Marsiglio of Padua’s *Defensor pacis* in the Thought of Nicole Oresme” in *Heresy in Transition: Transforming Ideas of Heresy in Medieval and Early Modern Europe*, ed. John Christian Laursen, Cary J. Nederman, and Ian Hunter (New York: Routledge, 2005), 71–88. In these texts, Oresme’s political theology is never presented. Piron, “Nicole Oresme: Violence, langage et raison politique”; Blythe, *Ideal Government*, 223–25; Quillet, “Community, Counsel and Representation”, 565–66; Quillet, *La philosophie politique du Songe du Vergier*, 124–38; Menut, *Nicole Oresme: Le livre de Politiques*, 5–11. Menut assumes Oresme is speaking about the modern division of Church and State, which is obviously anachronistic, which scholarship has plainly shown. But he, like the rest of these sources, also fails to consider Oresme’s use of Innocent III’s sun and moon analogy to speak of the spiritual power (the greater light) and the temporal power (the lesser): that all temporal jurisdictions are directly derivative of the pope’s universal temporal jurisdiction: “all men, by divine decree, sit under a prince who is the vicar of God” *Le livre de Politiques*, 290a. But not all temporal authority is derivative of the pope’s universal dominion: the derivative was only in a positive direction, moving further into the anagogical, further into the Age of Grace, *Le Livre de Politique*, 289a. Future scholarship on Oresme will need to consider this oft-mistaken notion of his thought through a full evaluation of his *Politics* commentary—this will need to be done through Oresme’s robust theology of redemption.

²³⁶ *De moneta*, 37. *Nec obstat racio prima in qua dicebatur quod pecunia est communitatis, quia nec communitas nec aliquis iuste potest abuti re sua seu illicite uti ea, sicut faceret communitas si taliter mutaret monetas.*

prince cannot falsely prop himself up as a human sovereign, replacing his own law and declaration of reality with God's, so too the society is forbidden to do so. This understanding of popular sovereignty is likewise an attack against God and nature.

Oresme goes as far as to liken the devaluing of coinage to the devaluing of one's spouse: "Just as the community cannot grant to the prince authority to misuse the wives of any of its citizens he will, it cannot give him such a privilege over the coinage as he can only misuse, by exacting a profit from changing it."²³⁷ This comparison may seem shocking or hyperbolic. Misusing the nature of an inanimate object is far less harmful than misusing a person. But while this is obviously true, the misuse of precious metal money is not only an attack on God and his cosmic order but also an indirect maltreatment of persons insofar as it begins to enslave them to others.

In fact, this comparison to the breakdown of the family may very well be purposeful. In his commentary on the *Economics*, Oresme suggests politics is downstream of the economy: "Aristotle considers economics in the first book of *Politics*... before he treats political life."²³⁸ Politics builds on economics, for economics is the science of the family: "By means of economics the master of the house is able to establish conventions and rules or ordinances for governing his family and himself with respect to his family."²³⁹ The polity, in turn, is only upheld by economical families. Thus, there is a defensible analogue between the two.

Like so many other scholastics and subsequent thinkers, Oresme likens the *res publica* to a body (*corpus*).

²³⁷ *De moneta*, 40

²³⁸ *Le Livre de Yconomique*, 808. *Item, selon ordre de doctrine, ethiques est la premiere science morale et yconomique la seconde et politique la tierce. Et pour ce, apres ethiques Aristote traicte de yconomique ou premier livre de Politiques et traicte apres es autres de communication politique.*

²³⁹ *Ibid.*

The polity or kingdom, then, is like a human body and so Aristotle will have it in Book V of the *Politics*. As, therefore, the body is disordered when the humors flow too freely into one of its members, so that that member is often inflamed and overgrown while the others are withered and shrunken and the body's due proportions are destroyed and its life shortened, so also is a polity or a kingdom when riches are unduly attracted by one part of it.²⁴⁰

This analogy ultimately derives from Aristotle: "Just as the body is composed of parts and needs to grow proportionately in order that its symmetry may remain, and if it does not it is spoiled, ... so also a polity is composed of parts, one of which grows without being noticed."²⁴¹ This is the same analogy that Paul used for the Church.²⁴² With his complex treatment of the law, which does not pass away but still remains, St. Paul renders the ecclesial community a political entity like any other ancient commonwealth—regulated by certain order and customs and guided by a divine authority. And the apostle cites the Eucharist as what binds together those within it: "now in Christ Jesus you who once were far off have been brought near in the blood of Christ" (Eph. 2:13). In the body politic that is the Church, it is the Eucharist that unites all as one.

When Oresme refers to the humors (*humores*) that must be properly distributed throughout the entire body, he is knowingly making a parallel to Holy Communion.²⁴³ Despite the reality of hierarchy within Oresme's political theology, wealth, like the Eucharist, must not only flow in all members but do so equally. The just distribution must be directed by true virtue. If not, the polity is no longer healthy: "A polity or kingdom whose princes, as compared with their subjects, increase beyond measure in wealth, power and position, is as

²⁴⁰ *De moneta*, 43. *Est ergo res publica sive regnum sicut quoddam corpus humanum, et ita vult Aristotiles quinto Politice. Sicut ergo corpus male disponitur, quando humores excessiue fluunt ad unum eius membrum, ita quod illud membrum sepe ex hoc inflammatur et nimium ingrossatur; reliquis exsiccatis et nimis attenuatis, tolliturque debita proportio, neque tale corpus potest diu uiuere; ita conformiter est de communitate uel regno, quando diuicie ab una ipsius parte attrahuntur ultra modum.*

²⁴¹ Aristotle, *Politics* 1302b33–1303a3.

²⁴² See 1 Cor. 12:12–14

²⁴³ As evidenced by citing St. Paul's analogy in *Le Livre de Politique*, 339b.

it were a monster (*monstrum*), like a man whose head is so large and heavy that the rest of his body is too weak to support it.”²⁴⁴

A disproportional claim to wealth is unnatural; it defeats the natural order of the world, which was gift, says Oresme, to “our first parents and all of their offspring”—not to any subgroup in particular. This is his profound appeal against the profit motive: that it seeks a disproportional gift. Money, as he said in the beginning, was birthed out of the need to re-proportion the distribution of the gift. But if its teleology for restoration was now usurped, again for the unnatural cultivation of profit, then the great disparity destroys and perverts the polity—*nimia disparitas armoniam rei publice dissipat et corrumpit*.²⁴⁵

Oresme's Conclusion

As Oresme comes to the summation of his treatise, he recalls the purpose of the king, which is to ensure that all members are nourished and free: “where men are habitually, morally, and naturally free, not slaves, nor habituated to tyranny” (*conversacione, moribus et natura liberi non servi nec sub tyrannide per consuetudinem indurati*).²⁴⁶ With this in mind, he turns to summarizing his argument in three premises:

To sum up my argument,
My first premise: I say that a thing that tends to bring a realm to ruin is disgraceful and harmful to the king and his heirs; My second: That it extends and changes to a tyranny; And, my third: that it does so by alteration of the coinage. Consequently, a tax levied by means of such changes is against the king's honor and injures his posterity, which was to be proved.²⁴⁷

Ultimately it is this point that he wants to communicate: that altering the nature of money leads to tyranny—or in other words, altering the nature of money is a technique of a tyrant.

²⁴⁴ *De moneta*, s 43

²⁴⁵ *Ibid.*, 44.

²⁴⁶ *De moneta*, 44.

²⁴⁷ *Ibid.*, 47.

This Chapter's Conclusion

Oresme's monetary theory is integrated into his vision of political theology. He defined politics as a moral science, which "seeks to regulate voluntary human activities and direct them towards the good and virtuous."²⁴⁸ As money is, for Oresme, a political tool, he has sought to fix its design that it may regulate human activity toward virtue and away from vice. His regulations take into account his broader political theology, which is predicated on living in accord with God's cosmic design that the ultimate end of divine worship could be achieved. This importantly considers the freedom of the citizens and the restraint of the king. Reducing the nature of money to a pure and untarnished metal owned by the community and not by the king ensures that the ruler's taint does not enter into the common life of the community. Instead, money can operate as a mechanism to protect and nourish subsidiarity.

His mechanism for preventing the abuse of this power, however, is no mechanism at all, but virtue. Oresme's analysis is what modern scholars would categorize as virtue ethics.²⁴⁹ While some have suggested that Oresme's monetary thesis is rather dull compared to the modern techniques of central banks, his would-be rebuttal is obvious: that these institutions are tyrannical as they impose their quasi-divine will over a people meant to be free.²⁵⁰

Oresme's argument is one that we can categorize as prudential and accidental; it is not theoretically absolute. With this said, his major appeal to recognize God as an active agent in the economy promotes a solution that could span various times and places. This

²⁴⁸ *Le Livre de Yconomique*, 807.

²⁴⁹ Popularized by Alasdair MacIntyre, *After Virtue* (South Bend, IN: University of Notre Dame Press, 1981). As his model society was medieval society, this is not an anachronistic description, just an anachronistic label.

²⁵⁰ Denis Menjot, "La politique monétaire de Nicolas Oresme", 190–91.

is most clear in his conviction that God had designed the scarcity of precious metals to act as a stasis by which goods could be balanced. More subtle, and only discernible after a consideration of his *Politics* commentary, is the notion that a king's attempt to control his people is most properly an attack on God's sovereignty. While God, through the outpouring of his grace, leads people to virtue, a tyrant thwarts this design by robbing people of their freedom, which is a necessary component for cultivation of virtue. This rebellion is clearly seen, Oresme argues, in a king's devaluation of currency; the king has created an order, the maintenance of which demands the king's presence as constant and necessary.

Such a "usurpation," as he phrased it, has a ripple effect, as it beckons others into the same disposition of manipulation and greed. The magician who cast the spell can no longer control it. Ultimately, Oresme suggests that the rise of the financial activity occurs subsequent to the king's grasping for financial power as it offers a foothold for others to profit off of and continue the manipulation of currency through speculation. This ensures that the natural use of money—exchanging it in order to redistribute natural goods—is reversed; money then becomes for the accumulation of more artificial goods, namely, more money, at the expense of others. If the ends of money are perverted and thus the nature of money manipulated, then the instrument becomes one for blasphemy rather than for justice.

Chapter 3 Distracting the Mind

Thus far we have argued that money does not have a natural substance, given the fact that it is an artifact—and thus there is no platonic form of money, so to say. Each iteration has its own artificial nature. Yet, we continued, all types of money have shared properties, which is why, phenomenologically speaking, people still refer to everything from shells to bitcoin as “money.” What we found in Oresme was an argument for the best type of money: decentralized gold. This is what some scholars would call “the central case” of money or money *simplex*. Oresme’s investigation sought a form of money that would be least susceptible to tyrannical control and monetary manipulation, which would lead to a form of clandestine slavery. Oresme’s vision of money was situated within a larger theological context. For him, commodity money, with its limitations for an expanding economy, fit neatly within his vision of a properly governable city. In attempting to answer the initial question of this thesis—whether the nature of money opposes God and the Church—we found Oresme answering that some forms of money certainly do, yet the institution of sound money allows for predicaments of scarcity to be resolved at the lowest common level.

With that said, despite the heavy tax-burdens at the time of their writing, many Church fathers, whose harsh words against money we considered in Chapter 1, lived during an era of sound money. They leveled their criticisms against the very form of money that Oresme commended. While Oresme followed the scholastic tradition in arguing for the best form of money, the larger patristic and medieval tradition held money in severe skepticism.

Thomas Aquinas (d. 1274) and Bonaventure Bagnoregio (d. 1274)—both proclaimed primary doctors of the Catholic Church—argued that the perfect life must include voluntary poverty.¹ While sound money could better preserve a just social order, the use of money for individuals was still held suspect. For mendicants, who are to live perfect lives they must make a strict vow of poverty. This does not place figures such as Aquinas and Bonaventure among the Fraticelli—the branch of the Franciscan order that declared that they could not own anything, not even possessing goods in common. This group was condemned by both the Council of Vienne (1311–1312) and Pope John XXII (d. 1334).² The difference one finds with the doctors is not that ownership in the post-lapsarian world is a sin—for even the apostles held a money purse, they say—but rather that it is an occasion of sin.³ Bonaventure, for his part, wrote: “Although wealth is not formally or causally sinful, it is a frequent occasion of sin by distracting from good and inclining toward evil.”⁴ Yet money serves as a greater threat to the consecrated than the laity. Thus Bonaventure later continues,

Since the smallest distraction of the intellect, the slightest vicious tendency of the heart directed to eternal goods are more disharmonious in the souls of the perfect directed to eternal goods than in the much less perfect souls of those concerned merely with the education of children and the care of their families, it follows that the perfect renouncement of temporal goods is counseled to the perfect and not to the imperfect, except if they wish to be perfect.⁵

¹ See Leo XIII’s 1879 encyclical *Aeterni Patris*, which commended both the Angelic Doctor and the Seraphic Doctor to the faithful for general reference.

² John XXII in *Gloriosam Ecclesiam*, 23 January 1318 (in Denzinger). He writes:

The first error which breaks forth from their dark workshop invents two churches, the one carnal, packed with riches, overflowing with riches [others, luxuries], stained with crimes which they declare the Roman prefect and other inferior prelates dominate; the other spiritual, cleansed by frugality, beautiful in virtue, bound by poverty, in which they only and their companions are held, and which they, because of the merit of their spiritual life, if any faith should be applied to lies, rule.

³ “No one can twist the words of Augustine and confuse weakness of the flesh with the fact that Christ assume human weakness both in his use of a money bag and in his dread of his passion.” Bon., *AP*, I.6. See the same reasoning in Aquinas, *STh.*, II-II q. 188 a. 7 resp.

⁴ Bon., *AP*, VII.26

⁵ Bon., *AP*, VII.28

The question looming is *why* this is the case? Those familiar with the end of Aquinas' *Secunda secundae* or Bonaventure's *Apologia pauperum* will know that their arguments lack detail and are largely derived from other ecclesiastical authorities. Bonaventure, for example, states that "of all the things one could possess, money is the most alluring, the most easily attractive and distracting" and offers us three reasons for why money is an occasion of sin: first, it is impossible, or nearly impossible to have without loving it; second, having money or any private possession leads to an over concern with temporal needs; third, it meddles with the three parts of the soul through distracting the intellect with what is true, extols the irascible with a hope for the future, and allures the concupiscible.⁶ How and why this is the case is largely ignored in the text. Thomas Aquinas, for his part, agrees with Bonaventure stating that, "The religious state was instituted chiefly that we might obtain perfection by means of certain exercises, whereby the obstacles to perfect charity are removed"—of which, "the first foundation is voluntary poverty."⁷ He explicitly states that "Riches, once they are possessed, are certainly in themselves of a nature to hinder the perfection of charity, especially by enticing and distracting the mind."⁸ But, like Bonaventure, he does not speak to how this is the case in any extended treatment.

While the tradition is not against the use of money, both doctors point to the design of money without clearly or systematically adducing anything about it—merely jumping to the conclusions as evidenced in society or authority. Working from within this tradition, I do not mean to question their conclusions but to understand them more fully.

⁶ Bon., *AP*, XI.15; VII.2, 10, 26

⁷ STh., II-II q. 186 a. 3 resp: *est quod ad perfectionem caritatis acquirendam, primum fundamentum est voluntaria paupertas.*

⁸ STh., II-II q. 186 a. 3 ad 4: *Divitiae autem habitae per se quidem natae sunt perfectionem caritatis impedire, principaliter alliciendo animum et distrahendo*

Clearly they recognize that money, as a tool, transforms the way that people within a society behave and think about interactions and exchanges; as a result of this, the question of the artificial *nature* of sound money is ultimately a question of order. Given that such an exploration of the nature of money regards order, it must first be subject to a metaphysical evaluation before any other. It is to such an evaluation that we turn to in this chapter—particularly to discover how money, as Aquinas and Bonaventure say, distracts the mind.

Money as a Relation

From Aristotle we know that, if we want to examine what a thing is, we must ask what it is for. And from Oresme, we know that, at a large scale, money operates to aid the proper distribution of goods. But from the perspective of the individual, Aquinas says, that “the principal use of money is its consumption or alienation whereby it is sunk in exchange.”⁹ By this definition, the money-item is never meant to be used; if the money-item is then meant to be preserved and traded, it is then not meant to be used according to its natural substance. This creates a division between its created nature as gold or silver and its conventional use as money.

Augustine refers to this phenomenon in his *De Trinitate*. In speaking of how one can speak of changes occurring while predicating no accidents to God, he makes an analogy to the modality of metals as money. Granted that God is immutable, “nothing happens to His nature by which He may be changed, so that those things are relative accidents which can effect some change in the things of which they are predicated.” “For example,” he says,

⁹ STh., II-II q.78 a. 1 resp.

When a coin is referred to as money, it is so called relatively; neither did it undergo any change when it began to be a price, nor when it is said to be a pledge, nor any other thing of this kind. If money, therefore, without any change in itself can so often be called a term of relation, so that it does not lose the nature or the form by which it is money, neither when it begins to be nor when it ceases to be spoken of in this relative sense, how much easier ought we to accept this same thing of that unchangeable substance of God?¹⁰

Money, qua money, is a relation. Unlike God, whose substance is unalterable, money is an artifact—though a special type of artifact, namely, an agreement, insofar as people concur in *relating* to a particular object, and to one another through it, in a particular way. For this reason, Aquinas categorizes money among *bona communia*—public goods.¹¹ The corporate decision to orient toward the money-item in a particular manner transforms its ontology—though clearly only in the minds of the members in the community. Among contemporary philosophers, John Searle has referred to this type of existence as social ontology. More specifically, Searle has claimed that money has a *deontic* nature, meaning that it pertains to rights and obligations.¹² Money is semiotical; it signifies that the owner is owed something from the community. Ideally, it is a measure of and reward for the goods he has produced or the services that he has performed for someone within the community. But this is clearly unnecessary; as Oresme has made clear, the value of money can be manipulated. To summarize this idea: if money is a relation and reveals a relation between people in a community, then it does so in terms of owing and being owed something. In a sense, the community, as a collective, owes the worker a real

¹⁰ Aug., *De Trin.* 5.16.17. *Nummus autem cum dicitur pretium relatiue dicitur, nec tamen mutatus est cum esse coepit pretium neque cum dicitur pignus et si qua similia. Si ergo nummus potest nulla sui mutatione totiens dici relatiue ut neque cum incipit dici neque cum desinit aliquid in eius natura uel forma qua nummus est mutationis fiat, quanto facilius de illa incommutabili dei substantia debemus accipere ut ita dicatur relatiue aliquid.*

¹¹ See, for instance, *In V Ethic.*, lect. 4, n. 927: “Et dicit, quod una species [iustitiae] ... es tilla, quae consistit in distributionibus aliquorum communium ... sive sit honor, sive sit pecunia, vel quicquid aliud ad bona exteriora pertinens, vel etiam ad mala; sicut labor, expensae et similia.”

¹² John R. Searle, “Money: Ontology and Deception” in *Cambridge Journal of Economics* 41 (2017): 1453–1470, 1455. While this term comes under heat because of the nominalist or even voluntarist implications to ethics, it does have a place within a realist position; see, for instance, Pope John Paul II’s use of the term in documents such as *Laborem exercens*.

benefit for his labors to the community. Money, however, is an artificial good. As Aquinas explains:

Wealth is twofold, as the Philosopher says (Polit. i, 3), viz. natural and artificial. Natural wealth is that which serves man as a remedy for his natural wants: such as food, drink, clothing, cars, dwellings, and such like, while artificial wealth is that which is not a direct help to nature, as money, but is invented by the art of man, for the convenience of exchange, and as a measure of things salable.¹³

Money, as an artificial good, is, for Aquinas, nothing more than a debt: “money and debt are altogether the same.”¹⁴ Or, as he states elsewhere: “He that has money has the profit not yet actually but only virtually.”¹⁵ Once the worker has spent his money, he has consumed the available credit, what he was owed, from the community. Money is thus a sign of communal obligation, or to phrase it a different way, money is a form of power that the individual has over the community.

Though a full theology of power is beyond our purposes, some preliminary description of power is necessary in order to make sense out of money. Most simply, power is one’s ability to affect his will. For example, because I have the ability to sit down in my chair, I have the power over my body to effect the change in location. Power is a transitive phenomenon as one’s will alters another thing; pertaining to this phenomenon, there is a relation between one thing in act and another in potency. Power is thus itself a relation.

The relationship of power usually involves more than just the active and potential object; it also involves the situation in which the act of power exists. For instance, my ability to sit down says something not only about my physical abilities and my mind’s

¹³ STh., I-II q.2 a.1 resp; see also, STh., II-II q.188 a.7 ad 5

¹⁴ STh., *Supplementum* q.96 a.1 resp. This is not to overlook the important distinction between money and credit, aptly exposed by the Austrian tradition. Aquinas’ point is less on the level of financial techniques than it is on the point of social ontology.

¹⁵ STh., II-II q.61 a.4 ad. 1

power over my body, but also about the chair and the ground it sits upon. The circumstantial world holds within it features which predetermine the capabilities of the actor.¹⁶ His power is found in the concrete possibilities of reality. Power is part of the natural world. The landscape itself contains a real power within it: it bears within itself certain potencies, possibilities, and limitations that change the way people behave. These limitations could arise by other people—perhaps someone is already sitting in the chair or has cut off its legs; but in the Catholic tradition, the original basis of power is divine.¹⁷ As Erick Przywara wrote of this phenomenon, “the potentiality of the creaturely is at bottom decidedly a ‘possibility originating from the freedom of God’ (*creare posse aliquid*).”¹⁸ The powers with which the world is endowed have their basis within the free activity of God, which in turn offers the capabilities for men to activate their own power over and through them as well as limiting their power by them. This is what Aquinas has called a “potential of obedience, according to which the Creator can cause whatsoever he wishes to come about in the creature.”¹⁹ The powers of creatures are, fundamentally, defined by the Creator who sets their abilities and limits in a form of obedience. They are, fundamentally, God’s power.

The importance of this conversation for money is precisely the fact that money does not have a material form that contains in and of itself any ordained power. It is what philosophers call a potency that is impotent to the designs of rational agency; something that holds no power within itself. Of itself, money does not have potency—nor, of course, does it act. But in respect to its deontic and social agreement, it is substantiated. Money,

¹⁶ As Erick Przywara says, “As an actualized possibility [is] derived from possibility in the sense of potentiality, it does so nevertheless always by virtue of something already actual,” *Analogia Entis* trans. by John R. Betz and David Bentley Hart (Grand Rapids: Eerdmans, 2014), 220.

¹⁷ As CCC 1884 says, “God has not willed to reserve to himself all exercise of power. He entrusts to every creature the functions it is capable of performing, according to the capacities of its own nature.”

¹⁸ Przywara, 220.

¹⁹ *De Ver.* q. 8, a. 12, ad 4: *secundum quam in creatura fieri potest quidquid in ea fieri voluerit Creator.*

as immaterial, has a power that emerges exclusively from the agreement constructed by human societies to live in accord with the relation they have set. As it is a pure creation of man, money has a potential before us in its “obedience” to us. Man has the ability to dismiss, neglect, and manipulate the power of money—yet only insofar as he can do so within the larger construct that others have agreed upon. Within that larger construct, money, and the one wielding it, has a power.

What money is, more specifically, is a *consumable* form of power. While the money-object does not disappear, as consumables such as food or drink normally do, the user’s power is expended.²⁰ This is why Aquinas labels money as a consumable: “the principal use of money is its *consumption* or *alienation* whereby it is sunk in exchange.”²¹ This characterization is important for discerning money’s substance. In his treatise *De malo*, Aquinas claims that a consumable’s substance is nothing other than its use. By consumable, he is referring to a fungible good—something that is exhausted through its use. He states: “Regarding the things whose use consists of consuming them, the use of the thing is only the thing itself.”²² We can create a syllogism, in short, to clarify the concept: A thing’s substance is revealed by its end; a consumable’s end is being used; therefore, a consumable’s substance is its use. Thus, if money is itself a consumable, then its substance is nothing other than its use, which is what he concludes: “The use of money is its only substance.”²³ So what, precisely, is money’s use or operation?

²⁰ Notice that this does not mean that the power is destroyed, only transferred. But that is a similar case to other consumables, such as wine or bread: its energy is *transferred*, expended in its particular state.

²¹ STh., II-II q.78 a. 1 resp. One may ask about investments—in that case, one may say, money as capital is for the production of goods. But that is a clear misnomer. Every use of money, whether for exchange or for investment, is an expenditure. Even if the goal of the investment is monetary profit, the use of money is still a consumption for some good or service that will, if all goes as planned, be able to generate more money than was had before.

²² *De malo* 13.4 resp.

²³ *De malo* 13.4 resp. Or, in the same passage: “Its use is itself money.”

Money's Operation

A thing is only actualized through its motion, its energy.²⁴ As money qua money is a relation, it can only be known, identified, and realized in the material world through people acting upon the relation. In other words, technically speaking, a round coin could not be considered money if not used as such because it does not, within itself, hold power.²⁵ As a realization of power, money only exists when actualized among peoples. Understanding the operation of money, *how* it is sunk in exchange, is an inherent part of knowing the true identity of money itself—it is the opportunity to know money fully actualized.

Aquinas hints at this idea when he says, “the quality of a thing that comes into human use is measured by the price given for it, for which the purpose of money was invented.”²⁶ This is a necessary addendum to the previous section. While Oresme, speaking at a macro-level, stated that the purpose of money is the redistribution of goods, Aquinas clarifies that the purpose of money is *both* for the “convenience of exchange, and as a measure of things salable.”²⁷ While the purpose of money is to be sunk in exchange, its manner of doing so, the activity of money, occurs through quantification. Money, as a semiotics of trust, is activated through someone engaging in measuring goods and services. But how is that done?

²⁴ See *Arist. Meta*, 1050a21–23.

²⁵ Aquinas comments on this idea: “The principal use of silver money is sinking it in exchange, so that it is not lawful to sell its use and at the same time expect the restitution of the amount lent. It must be observed, however, that the secondary use of silver vessels may be an exchange, and such use may not be lawfully sold. In like manner there may be some secondary use of silver money; for instance, a man might lend coins for show, or to be used as security” (STh., II-II q.77 a.1 ad 6). Could be used for something else totally unconnected to deontic relations.

²⁶ STh., II-II q.77 a.1 resp. This dual notion of money is captured in Aristotle’s words for money—*nomisma* (which has an allusion to law) and *chremata* (which signifies material wealth). He uses the former in the *Nicomachean Ethics* and the latter in the *Politics*.

²⁷ STh., I-II q.2 a.1 resp.

Scholars have pointed out how confused Aristotle was when speaking about money as a measure—so it is not a simple answer.²⁸ The primary predicament that he had is the same that Marx famously opens *Das Kapital* with: how exactly *does* money measure? Both held money to be a static system; a mechanism by which people sought external equality in a particular exchange. But for these great thinkers, there was a certain metaphysical predicament in money’s operation of achieving it: how *can* it measure? This is not a discussion of just pricing—which asks how one measures well—but how is measuring possible at all?

The appropriate form of exchange, Aristotle surmises, cannot have exact equalities (ἰσότης) but according to proportion (ἀναλογία). Money’s end is to make unlike things (ie. shoes and homes) comparable; “Money, then, acting as a measure, makes goods commensurate and equates them.”²⁹ Commensurability necessarily requires a common property. Common properties can include things such as length, shape, or color. For instance, I can compare the length of two boards; I can measure them in feet or inches or centimeters. A common element or feature of two different things renders them commensurable. In his account of the categories, Aristotle adduces a manner in which to evaluate a possible commensurability between objects, and that is through accidents: quantity, quality, relations, position, time, posture, condition, action, and, or, affection. Each of these are their own category. Categories are the irreducible orders of being, and, as Scott Meikle formulates, “a quality, say, can no more be reduced to a quantity or a relation, than the number 9 can be reduced to a horse.”³⁰ Thus, turning to money, Aristotle

²⁸ Scott Meikle, “Aristotle on Money” in *What is Money* ed. John Smithin (London: Routledge, 2000), 156–173; Harvey C. Mansfield Jr., “Marx on Aristotle: Freedom, Money, and Politics” in *The Review of Metaphysics* 34.2 (1980): 351–367.

²⁹ Arist. *EN* V.5 1133b15–16

³⁰ Scott Meikle, *Aristotle’s Economic Thought* (Oxford: Clarendon Press, 1995), 13.

has run into an insurmountable issue: if two things are not categorized the same way, they cannot be evaluated by the same measurement. A pair of shoes and a house must be commensurable in order for them to be justly comparable, so how would money be a measure in this case? His answer is that money measures need, *χρεία*.³¹ A house would cost more than a pair of shoes because it is *needed* more than shoes. It is more essential for good living and thus more expensive. But there are issues with this type of measurement.

The first thing to note is that need is a condition, not a quantity. There is a classic category error within this configuration. Andrew Pinsent has critiqued the idea of a price valuation as a “metaphysical flattening” effect, given that the seller is dismissing the true ontology of the object and projecting another in its place.³² A shoe will be denoted as \$50.00, though a genuine description of the identity of the shoe would not be numerical but qualitative—leather, brown, etc. The dollar amount is, metaphysically speaking, an inadequate description. And it is a further predicament because it attaches this supposedly objective description of the good—\$50.00—based only on a subjective condition—a seller’s consideration of a singular person’s need for the brown leather shoe.³³ Need, however, is a dangerous concept to quantify.³⁴ The thirteenth century Franciscan Peter John Olivi reveals why such a translation is philosophically problematic:

If the price of things necessary for our life were to be set according to the equivalence of what they specifically confer upon us, the price of these things would be, as it were, beyond price. For in the case of one suffering from thirst

³¹ Which is often wrongly translated as “desire”.

³² Andrew Pinsent, “Avarice and Liberality” in *Virtues and their Vices* eds Kevin Timpe, Craig A. Boyd (Oxford: Oxford University press, 2014), 167.

³³ This is where Marx famously distances himself from Aristotle—and, in turn, the Austrians from Marx as they return to a subjective price theory. Marx in turn suggests the labor theory of pricing by which an object takes into account a firmer and more definite price mechanism than a person’s opinion; in other words, he attempts to render economics a harder science.

³⁴ This is just as much a problem for a central body making this calculation as for the individual, if not significantly more. On this point, I follow F.A. Hayek in his *Road to Serfdom*.

and about to die if they do not have water, a cup of water is worth an infinite amount of gold and much more.³⁵

Such a monetary translation is internally contradictory. There could be no price for the use of necessities; any amount given would be inadequate. Such a method inherently assumes multiple ontological confusions.

This predicament is expressed by Christ in Luke's gospel. As the popularity of Jesus spread, he began to instruct the crowds on fear: "I tell you, my friends, do not fear those who kill the body, and after that have no more they can do." In the first century context, it is a reasonable interpretation that Christ here speaks of the Romans, their occupation, and their heavy tax burdens.³⁶ Within this occupied context, the material goods appeared scarce and limited, but Jesus challenges this narrative, saying: "Are not five sparrows sold for two pennies? Yet not one of them is forgotten before God" (Lk 12:6). Jesus traces the root of our fear to a misconception of the world—a conception that presumes that God does not love and provide for his creation.³⁷ Within a Catholic vantage, insofar as one neglects the true donative nature of the world, something we will discuss at length in the following chapter, he tends to undervalue creation itself. A person's valuation, based upon need, misconceives of the true value of the thing and contrasts with the value of the Father, who does not forget them. Aquinas, in his commentary on the *Nicomachean Ethics*, clearly developing beyond Aristotle's thought, says the following about monetary valuation, "Articles are not valued according to the dignity of their nature, otherwise a mouse, an animal endowed with sense, should be of

³⁵ Peter of John Olivi, *A Treatise on Contracts*, trans. Ryan Thornton (St. Bonaventure, NY: Franciscan Institute Publications, 2016), 6–7.

³⁶ For scholars who make this, see John Nolland, *Luke 9:21–18:34* ed. David A. Hubbard *Word Biblical Commentary* Vol. 35b (Nashville, TN: Thomas Nelson Inc, 1993), 680. The coins that Christ mentions are specifically Roman, not from the temple.

³⁷ For more on this misunderstanding, see Albino Barrera O.P. *God and the Evil of Scarcity: Moral Foundations of Economic Agency* (South Bend, IN: University of Notre Dame Press, 2005); Marc Barnes, "Adam Without Liberalism" in *New Polity* 1.1 (2020): 20–24.

greater value than a pearl, a thing without life. But they are priced according as man stands in need of them for his own use.”³⁸ The idea of economic need depends upon a subjective onlooker, rather than an objective one, that is, God. This, however, is no accusation to hold against money: man is himself a subjective being; in the various modes of life, needs differ and change. This is self-evident. Understanding value in terms of dignity, instead of merely use or exchange, is accurate to reality, most objective, but it is not how needs present themselves. The problem of quantifying qualitative goods is heightened by the connection—and the inherent confusion—between need and desire. Because so many of our needs are socially defined, not intrinsic to the bare necessity of sustenance, there is a predicament of discerning what is truly essential for life. Distinguishing one from the other becomes blurry in certain contexts.³⁹ For instance, cars are in no way necessary for human existence and yet certain cities in the world are extremely difficult to live in without them. Or consider dress clothes: while church fathers harangued the rich for their ornamental clothing while the poor had none, certain social expectations require them in particular contexts.⁴⁰ Or, for another consideration, what about entertainment and art? While a counter argument could be made that they are required to make life most human, how can they be quantified in terms of need? In today’s economy, people set prices based upon what they can sell goods for, which is a significantly different evaluative method. David Cloutier has adeptly identified the predicament of evaluating goods based upon the disposition of one’s soul. He couches the

³⁸ Aquinas, *Commentary on the Nicomachean Ethics*, V.5, 981.

³⁹ Pope John Paul II stressed this point in his encyclical *Centesimus annus* 36: “If, on the contrary, a direct appeal is made to his instincts — while ignoring in various ways the reality of the person as intelligent and free — then consumer attitudes and life-styles can be created which are objectively improper and often damaging to his physical and spiritual health. Of itself, an economic system does not possess criteria for correctly distinguishing new and higher forms of satisfying human needs from artificial new needs which hinder the formation of a mature personality.”

⁴⁰ This is where marketing—or, what used to be called, propaganda (see Earnst Bernays, *Propaganda* (Brooklyn: Ig Publishing, [1928] 2005)—enters the picture and begins to influence prices.

discussion between the virtue of austerity on the one hand and the vice of luxury on the other. To understand what is truly needed for society demands a proper disposition of soul.⁴¹ But beyond the ability to understand what is legitimately needed, there is the more fundamental predicament of acting upon a category error.

And this predicament was not unknown to Aristotle as he says, “in truth it is impossible that things differing so much should become commensurate.”⁴² For him, there can be no scientifically satisfactory explanation for the commensurability of goods. Despite these predicaments, Aristotle says that need, as a basis for exchange, works sufficiently (ικανός)—presumably sufficiently to make an exchange satisfactory to two people. While practically this occurs all the time, it is not solvent philosophically. Creating an inauthentic measure does not create commensurability. In fact, he has caused a greater problem where two fundamentally different objects (ie a shoe and a dog) are declared to be the same (ie \$100.00). But this is clearly absurd. Within this concept, there are two different metaphysical flattenings that are concurrent. The first, as discussed, is the transformation of one’s condition to quantity; but there appears to be a second as well. Insofar as one uses gold or silver as a medium of exchange, he has fundamentally changed the metaphysical identity of the object from qualitative to quantitative. This second metaphysical error appears to be assumed in and necessitated by the first. To simplify this second idea, consider a price chart: on the left column there is the item being sold: a hammer, nails, screwdriver. On the right column states their prices: \$15, \$35, and \$25. The left column identifies the items that have, by design, certain qualities. The right-hand column notes the quantitative exchange value. The left column notes several

⁴¹ David Cloutier, *The Vice of Luxury* (Washington, DC: Georgetown University Press, 2015).

⁴² Arist. *EN*. V.5 1133b.18–20

natures; the right one names an aspect of the items, all qualitatively undifferentiated. The exchange value of the right column belongs in a different logical category. As mentioned, a logical category is an irreducibly undifferentiated, homogenous type of being. So, what, metaphysically speaking, has happened in this situation?

Aristotle considers this predicament in the first book of his *Politics*. He states:

With every article of property there is a double way of using it; both uses are related to the article itself, but not related to it in the same manner—one is peculiar to the thing and the other is not peculiar to it. Take for example a shoe—there is its wear as a shoe and there is its use as an article of exchange; for both are ways of using a shoe, inasmuch as even he that barter a shoe for money or food with the customer that wants a shoe uses it as a shoe, though not for the use peculiar to a shoe, since shoes have not come into existence for the purpose of barter.⁴³

The secondary use described, according to Aristotle, is “οὐ φύσις”—unnatural.⁴⁴ Aristotle leaves the reader without a robust argument why this is so, and, as a result, many through the years have disagreed with him. Take, for example, the School of Salamanca’s Martín de Azpilcueta—often referred to as Dr. Navarra—and forerunner of Adam Smith, who claimed that selling something was not unnatural. He wrote:

It is not true that using money to obtain a profit by exchanging it goes against its very nature because, even if it is a different use than the first and main one for which it was created, it is still apt for a less principal and secondary use. This happens, for example, when shoes are used to make a profit, which, although it is a different use than the primary one for which they were created (which was to wear on feet), does not go against their very nature.⁴⁵

Azpilcueta’s claim seems very reasonable—but he may have cut the analysis short.

In the *Physics*, Aristotle supplies an understanding of natures, stating, “For nature is the principle and cause of motion and rest to those things, and those things only, in which she inheres primarily, as distinct from incidentally.”⁴⁶ While an artifact does not contain its nature within itself, but rather the craftsman imposes on it, its design still

⁴³ Arist. *Pol.* 1.1257a.15–20.

⁴⁴ Arist. *Pol.* 1.1257a.4: ἔστι δ’ ἡ μὲν φύσει ἢ δ’ οὐ φύσει αὐτῶν, ἀλλὰ δι’ ἐμπειρίας τινὸς καὶ τέχνης γίνεται μᾶλλον.

⁴⁵ Martín de Azpilcueta, *On Exchange*, 29.

⁴⁶ Arist. *Physics*, 192b21

holds its purpose. A physical object's nature derives from its form; according to its nature, a shoe is to be worn because the shoemaker designed its physical form for this purpose. But, as we have discussed, money is a relation derived from the human intellect. Deriving the nature of an intellectual act, however, is different. The nature of a thought is derived from its content. For example, if I were attempting to calculate the volume of a building, the content of my thought would be space. In the case of money, the exchange rate is the content of thought. Of course, this monetary calculation—or monetary thought, one could say—is entirely dependent on the physicality, or the appearance of physicality, of an object. As Aquinas says commenting on this passage of Aristotle, “Using shoes in exchange, although not a proper use of shoes, nonetheless uses them as such and not as incidental to another use.”⁴⁷ The baseline for the calculation is still found in reality and not a purely abstract construction.⁴⁸ Yet the nature of wearing a shoe and calculating its worth are no doubt different. This implies that there are two natures of the shoe—one derived from the material form of the object, constructed by the shoemaker; the other derived from the content of the thought, imposed on the object by the merchant or seller. Thus, exchanging an object is not unnatural—it is merely to consider the object under the guise of a different nature.

While certain baseline principles for evaluation are present, this notion is perhaps difficult to grasp from within an Aristotelian metaphysic—and perhaps that is part of our problem thus far. Elizabeth Anscombe attempted to fill this analytical void by adducing a concept of “natural unintelligibility”, which she applied to things such as a promise, a

⁴⁷ Aquinas, *Commentary on the Politics*, 1.VII.2.

⁴⁸ Even if the buyer does not intend to wear the shoe he buys, its price is still dependent on the shoe's existence. Even for financial instruments such as bonds, stocks, and fiat currency, their values are derived from the fact that people treat them as real. The reality behind the abstraction is human behavior. While they are the abstractions of a potency, their potency is grounded in predictability of behavior—even if by deception or force.

rule, or a right. In these cases, people create necessities for themselves and for others—but they do not arise as an exigency of their nature. For example: while humans, as social in their being, naturally produce language, the precise words chosen to refer to particular objects, actions, and ideas are not necessarily derivatives of the cause. Perhaps it is no wonder that Aristotle does not come to this conclusion because he, like Plato before him, never conceptualized personhood—precisely because they never analyzed the will. Once an agreement is willed, the agreement itself becomes a semiotics of trust—a sign of multiple wills in relation to one another. By stating something as simple such as “I will”, there is an imposition of some necessity, but one that is not discernible from the created order—and yet still metaphysically real. Anscombe comments, “some kinds of necessity we may derive from observation of nature, perhaps, but not this one.” She continues: “Yet it is produced. But what is produced is not an independently describable effect, as it were magically brought about by signs. It does not exist at all except for the signs. It is as if words produced it by signaling it; but what do they signal except the future action?”⁴⁹ This is an ontology that understands community to precede individuals; that understands rational creatures to refer to persons living in community with one another. Thus this is in no way “unnatural” but something basic to fundamental anthropology.

Given these two legitimate and sound analyses of the money-item’s nature, we can conclude that it bears two distinct natures that are imposed on it; there is, what we could call, a “hypostatic union”.⁵⁰ Yet this hypostatic union is very unlike that of Christ’s divine

⁴⁹ G.E.M. Anscombe, “On the Authority of the State” in *Collected Philosophical Papers*, vol. III, *Ethics, Religion and Politics* (Minneapolis: University of Minnesota Press, 1981), 130–55, 138.

⁵⁰ Scott Meikle comes to the same conclusion—that money has two distinct natures, which he also calls a hypostatic union. But Meikle comes to this conclusion by arguing that one places money in two logical categories. While this is a necessary component to the argument, it does not lead one to a sound conclusion. This is so on two accounts: first, most things can be categorized by Aristotle’s nine accidents: a dog can be described qualitatively (furry) as well as quantitatively (four feet long; or a single dog). Aristotle himself adduced that point when creating the categories. The second: a thing’s nature does not arise from its accidents.

and human natures, which the Council of Chalcedon says exist, “indivisibly, undividedly.”⁵¹ The monetary union is not metaphysically connected, united in being; they are merely imposed by human thought and are divisible. And yet, by mental imposition, these two natures reside in the same content. This metaphysical dilemma demonstrates a profound dual-identity of money that is simultaneously a collective sign of exchange value while also a pure metal being. Despite this metaphysical conflation, Aristotle says, from his albeit impoverished vantage, this method “seems to work well enough.”⁵² And no doubt he is correct.

The Transcendence and Immanence of Money

Precisely because money is an artificial manner of viewing the world, its results are causally indeterminate and variegated: not everyone at every moment must consider each object as a source of exchange. Reasonably, there would be an oscillation between thinking of something, like one’s car, in terms of its designed function and then as a sellable commodity. Yet, money is only operable if it is generally accepted, and under its widespread use it begins to become a reality that one has to deal with—whether one has made the same artificial calculations or not.

It is the choice of singular persons whether or not to begin buying, say, a work of art. The original agreement was born out of the decision of two persons. But as the market expands, the price becomes outside the control of singular persons. As it pertains to the

⁵¹ “The Council of Chalcedon 451: Definition of the Two Natures of Christ” (Denzinger).

⁵² Arist. *EN*, V.5 1133b.20. In contrast to this quasi-barter economy, money not only enables profits to be made, but, as Aristotle surmises, for a good to have both a use and an exchange function. But this is where his treatment of money becomes garbled: do people exchange something for money because the metal of the coinage has a use value or because it has an exchange value? The former seems ridiculous. This is why Aristotle references King Midas who starved despite having so much money. Von Mises astutely recognized that the marketability of gold coins is in part due to the demand of gold for non-monetary related projects. But this is at a global scale—one that is much larger than that which Aristotle was speaking of, and certainly much larger than that of Oresme’s 14th century France.

price of milk, for example, no one can walk into a supermarket and negotiate the price. This transition from exchanges between individuals to purchases made in an impersonal market was a phenomenon noticed by Georg Simmel. He recognized from basic monetary exchange that “value is never a ‘quality’ of the objects, but a judgment upon them which remains inherent in the subject.”⁵³ But as exchanges become more commonplace, and the price of an object becomes averaged out based upon the values of a host of individuals, “the technical form of economic transactions produces a realm of values that is more or less completely detached from the subjective-personal substructure.”⁵⁴ The subjective theory of pricing develops only to become radically impersonal. The value of particular goods are not developed by negotiation and personal haggling, but by “an automatic mechanism, regardless of how much subjective feeling has been incorporated as a precondition or as content in this mechanism.”⁵⁵ The claim that money is impersonal is not the charge, but that it enables the creation of an expanding market effect in which individual valuations of objects have no apparent efficacy in the resulting price. The price, which one could construe as the average assessments of an object’s value divorced from any one person’s unique analogical assessment of the merchandise. An average is not personal. It does not speak to the modal state of the person.

Simmel, however, expands the criticism to suggest that this pragmatic price mechanism leads to quasi-religious sentiments in individuals. Insofar as the economic value “transcends the individual subject” it is *perceived* as a transcendental:⁵⁶

When we experience religious or social sentiments, when we are melancholy or joyful, it is always abstractions from total reality that are the objects of our feeling—whether because we react only to those impressions that can be brought within the scope of some common cultural interest, or because we

⁵³ Georg Simmel, *The Philosophy of Money* (London: Routledge, 2011 [1978]), 65.

⁵⁴ *Ibid.*, 82.

⁵⁵ *Ibid.*, 83.

⁵⁶ *Ibid.*, 84.

endow every object with a certain colouring which derives its validity from its interweaving with other colourings to form an objective unity... The economic system is indeed based on an abstraction, on the mutuality of exchange, the balance between sacrifice and gain; and in the real process of its development it is inseparably merged with its basis and results, desire and need. But this form of existence does not differentiate it from the other spheres into which we divide the totality of phenomena for the sake of our interests.⁵⁷

The expansion of the market is only an associative problem of money. It is not a conceptual, logically absolute issue with the invention, but an experiential one. As the number of marketable goods in daily life expands, economic valuations *appear* as a reality above all consumers. Despite the realm of values being an abstraction of reality, as Simmel notes, it seems integral to the entire manner of life as they are manifested in particular saleable objects. Due to our familiarity with prices, we tend to think of them—and thus also of money—as a reified object in reality. Ostensibly, the average consumer's actions do not alter the price mechanisms; the market appears to have become a part of reality—and a reality that immanentizes in particular commodities. Simmel's notion of sentiment—perhaps a regrettable term—is important precisely because it is what, according to Simmel, convinces the person of the monetary reality.

From a realist position, considering money in terms of a pure abstraction, totally transcendent materiality, is impossible. In his question on the mode of human understanding, Aquinas argues that the human mind can only grasp something as intelligible to the degree to which it is separated from matter. The human intellect's ability to grasp a thing abstractly originates from our experience of natural things.⁵⁸ So how does this pertain to money? He writes:

Quantities, such as number, dimension, and figures, which are the terminations of quantity, can be considered apart from sensible qualities; and

⁵⁷ *Ibid.*, 85.

⁵⁸ This is oversimplifying an important point in Thomistic epistemology and the intellect's reliance on first creating phantasms of material objects before it can properly be known abstractly. See *STh* I q. 84 a. 7; III q. 9.

this is to abstract them from sensible matter; but they cannot be considered without understanding the substance which is subject to the quantity; for that would be to abstract them from common intelligible matter. Yet they can be considered apart from this or that substance; for that is to abstract them from individual intelligible matter.⁵⁹

People cannot abstract money from the material world for the same reason that they cannot think of a number independent of physical reality—the beginning of our understanding emerges from created reality. To consider a number in and of itself is to consider nothing at all, given that it is an abstraction of matter without form. While we have been dancing around the theological implications of this argument, Aquinas does not, stating:

God is called infinite, because He is a form unlimited by matter; whereas in material things, the term ‘infinite’ is applied to that which is deprived of any formal term. And form being known in itself, whereas matter cannot be known without form, it follows that the material infinite is in itself unknowable. But the formal infinite, God, is of Himself known; but He is unknown to us by reason of our feeble intellect, which in its present state has a natural aptitude for material objects only.⁶⁰

Unformed matter is nothing, and therefore, cannot be known per se.⁶¹ This argument implies that money, as a calculated number, necessitates an immanence for its existence. Precisely because of money’s hypostatic union, the culture that calculates, handles, and distributes goods, begins to usher in a pervasive monetary reality, enticing and often compelling all within it to do the same. This reality is dependent upon people regularized and habituated to this mode of understanding—of seeing objects or tasks and calculating them. We thus have to ask after the conditions that make this form of understanding possible for the community at large—but not from a historical point of view, but rather a metaphysical one.

⁵⁹ STh., I q. 85 a. 1 ad 2

⁶⁰ STh., I q. 86 a. 2 ad 1

⁶¹ I am here skirting around the issue of the nature of unformed matter—whether, as for Aristotle, it is formless, or, as for Augustine and the Franciscan tradition, there can be no such thing. In either case, it is unknowable.

Money as Universal

When categorizing different types of the good, Aquinas offers a distinction between goods of the soul (*bona animae*) and the goods of the body (*bona corporis*). In the former case, the good—such as honor and praise—is known through rational desire (*ratio appetibilitatis*); in the latter, the good is known through the concupiscible appetites—the need for food, water, and shelter. For Aquinas, both goods, fittingly, constitute aspects of the good life:

For an individual man to lead a good life two things are required. The first and most important is to act in a virtuous manner, for virtue is that by which one lives well; the second, which is secondary, and, as it were, instrumental, is a sufficiency of those bodily goods whose use is necessary for our act of virtue.⁶²

As a union of body and soul, man requires both goods to be able to lead a life of virtue. But there is a third type of good that Aquinas mentions, “the external good” (*tertium bonum est exterius*), which, he says on multiple occasions, refers to money (*pecunia*) or riches (*divitia*). It, perhaps, is unsurprising that Aquinas says that “the good of external things is the lowest of human goods.”⁶³ Because external goods do not nourish the soul or the body directly, they are not essential for an act of virtue. But, on what occasions does the need for external goods arise?

Oresme believed that money, this external good, only arose once goods were divided poorly under tyrannical rulers. A need arose to redistribute goods. Precisely when bodily goods lacked, an external good arose. According to Oresme, at its origins there is an inverse relationship between bodily goods and external goods. Insofar as it aids such a redistribution of natural goods, the external one serves a great purpose. Yet the scarcity of

⁶² Aquinas, *De Regimine*, I.15: *Ad bonum autem unius hominis vitam duo requiruntur, unum principale, quod est operatio secundum virtutem. Virtus enim est qua bene vivitur, aliud vere secundarium et quasi instrumentale, scilicet corporalium bonorum sufficientia, quorum unus est necessarius ad actum virtutis.*

⁶³ STh II-II q. 118 a. 5 resp.

bodily goods are not necessarily natural, but can be—and often are—artificial. As a solution to an injustice, it can be used to further the same injustice. D.C. Schindler comments on this:

For money to be effective, then, requires if not the preservation, and indeed in certain respects the exacerbation, of conditions of scarcity, then the artificial generation of effectively similar conditions through the invention of new desires (which, indeed, have to be unreal precisely to the extent that they are simply invented).⁶⁴

The artificial preservation of scarcity that Schindler refers to is often seen in marketing. He offers the example of the fashion industry, “the content of fashion is nothing but its novelty, its difference from, what was worn, drunk, eaten, etc., ‘last year.’”⁶⁵ The entire structure of money depends upon some form of scarcity. Instead of a division of labor akin to the village we saw in Chapter 1, which was based upon a solidarity of personal interdependence, the monetary infrastructure depends upon a division of labor between largely unknown actors. Perhaps it is illuminating that Aquinas, when speculating why “all riches are styled riches ‘of iniquity,’” by Christ, says, “because they are not distributed equally among all, one being in need, and another in affluence.”⁶⁶

While we will address this predicament in more detail in the next chapter, it should be said that limiting a monetary system to occasions in which a natural scarcity addresses itself could be a positive goal, but once the system is in place, it is difficult to transition off of it—especially once the “rules” of the monetary system are accepted by a larger population. In other words, once the habits of exchange are set, they are hard to escape. This often leads to a division of ownership that allows a person or entity to claim control over abundant and common goods, rendering others dependent on him. This

⁶⁴ *Freedom from Reality*, 181.

⁶⁵ *Freedom from Reality*, 411.

⁶⁶ STh., II-II q. 32 a. 7 ad 1

produces a de facto form of enmity; as Jeremiah bemoans in Lamentations: “We must buy the water we drink; our wood can be had only at a price.”⁶⁷

Perhaps it needs to be said here that Aquinas and the larger medieval tradition see a positive role for money and even merchants, that is, those who deal primarily in money as they help to supply a semi-sufficient society with the remaining goods that it needs.⁶⁸ I will expand on this point in Chapter 5. But to get to that point, it is important to understand that money is not a natural need of man; according to Aquinas: “No wealth without worth or benefit for the necessities of life is true wealth.”⁶⁹ All natural desires are satiated at some point—meaning that they have a purpose. We stop hungering when we have eaten; we stop thirsting when we have drunk. But money does not pertain to our bodies—or to our spirits. Money, as a social construction and a potency, contains nothing at all. It is a sign that, as an appearance of wealth and not wealth itself, does not participate in the true universal good but is a reciprocal image of it.⁷⁰ Insofar as money is an appearance of a good, and not a proper participation in the good per se, it is like Plato’s images dancing on the wall of the cave: it is a sign of the real, but divorced from it.⁷¹

This is not to say that money’s form is generally non-revealing. This is an important caveat. Aquinas says that all natural objects are limited by their form, which, again, is the source of an object’s nature; thus he says: “a thing’s being is received and contracted to a determinate nature.”⁷² This nature is bounded by time, magnitude, and use; it is limited—and for a purpose. This was an intentional design by God: “Everything

⁶⁷ La 5:4

⁶⁸ Aquinas, *De regimine*, II.7

⁶⁹ Aquinas, *De regimine*, I.7.10

⁷⁰ God alone is the universal good. (105.4; repeated II-I 9.6).

⁷¹ Foucault, in his *Lectures on the Will to Know*, 135, states that this is the basis of the fetishization of money: “Mercantilist interpretation of money restricting it from the start to functions of representation and expositing it to that ‘fetishism’ which consists in taking the sign for the thing itself, through a sort of primary and radical philosophical error.”

⁷² STh., I q.7 a.2 resp. See also SCG III, c. 150.

created is comprehended under some clear intention of the Creator.”⁷³ Pertaining to artifacts, the same principle applies. Most artifacts have a design that reveals their purpose. As Aquinas says: “It is proper to an instrument to be moved by the principal agent, yet diversely, according to the property of its nature. For an inanimate instrument, as an axe or a saw, is moved by the craftsman with only a corporeal movement.”⁷⁴ The form of the axe suggests its purpose is for cutting. However, in the case of naturally unintelligible goods, the form is derived only from a shared thought. For example, the pieces on a chess board do not have a form that reveals their function, though there may be a fittingness for their shapes. The design of, say, a pawn does not reveal its purpose, but its relative size is fitting within the context of the game. Certainly, the physical form of sound money is like the chess pieces—naturally unintelligible yet fitting for their purpose. As Oresme stated, money “should be of a shape and quantity suitable for handling and counting. It should also be of a material capable of being coined, malleable and fit to receive and retain an impression.”⁷⁵ But unlike a pawn, money does not suffer a limitation of uses within the context of the social construction.

Money does not spoil like bread or have seasonal appeal like sunglasses. The natural rhythms of life do not affect money as do natural goods. Money’s divorce from reality, its immateriality and a-temporality, creates a perceived-universality. By being abstracted from all goods and services, yet dependent on their existences for its own, money’s immanence does reflect its transcendence. The universality of money enables a staggering multiplicity of purposes to the extent that the author of Ecclesiastes says, “All

⁷³ STh., I q.7 a.4 resp.

⁷⁴ STh., III q.118 a.1 ad 2

⁷⁵ Ibid., 9. *Porciones... debent esse figure et quantitatis habilis ad contractandum et ad numerandum, et de materia monetabili ac etiam ductibili atque receptibili impressionis.*

things obey money.”⁷⁶ And while “It is true that money is directed to something else as an end,” as Aquinas says, “in so far as it is useful for obtaining all sensible things, it contains, in a way, all things virtually. Hence it has a certain likeness to beatitude.”⁷⁷ Insofar as money relates to all things, and in an abstracted sense contains them, it masquerades, so says Aquinas, as a universal good.⁷⁸ Unlike with chess, when people know when the game is finished, the universality of money does not allow for a clear finish for when its customary use ends. Perhaps surprisingly, Aquinas specifically states that this is why St. Paul says the love of money is the root of all sin. He states:

The desire of money is said to be the root of sins, not as though riches were sought for their own sake, as being the last end; but because they are much sought after as useful for any temporal end. And since a universal good is more desirable than a particular good, they move the appetite more than any individual goods, which along with many others can be procured by means of money.⁷⁹

Money, as an external good that could be redeemed for nearly anything, is, in its particular use, a non-revealing sign. It habituates people toward viewing the transcendent nature of money—and its infinite uses as a result of being abstracted from reality—as a replacement for all natural forms of procuring wealth. As transcendently related to all things, money has the ability to cover the natural order of the cosmos and to deform people’s relation to one another. Perhaps it is because money enables one to replace a vision of reality with an abstraction that Aquinas says that, by its very nature, money “entices and distracts the mind.”⁸⁰ What exactly is covered and what it is displaced with is the topic of the next chapter.

⁷⁶ Eccl 10:19

⁷⁷ STh., II-II q.118 a.7 ad 2

⁷⁸ STh., I-II q.84 a.1 ad 2

⁷⁹ STh., I-II q.84 a.1 ad 2; *appetitus pecuniarum dicitur esse radix peccatorum, non quidem quia divitiae propter se quaerantur tamquam ultimus finis, sed quia multum quaeruntur, ut utiles ad omnem temporalem finem: et quia universale bonum est appetibilius, quam aliquod particulare bonum, ideo magis movet appetitum, quam quaedam bona singularia, quae simul cum multis aliis per pecuniam haberi possunt.*

⁸⁰ STh., II-II q. 186 a. 3 ad 4: *Divitiae autem habitae per se quidem natae sunt perfectionem caritatis impedire, principaliter alliciendo animum et distrahendo*

Chapter 4 Hindering Charity

Critical in Oresme's account of money is its usefulness for justly redistributing goods. Money becomes necessary, Oresme envisions, as an economy grows larger than intimate villages and scarcity arises under tyrants. If we are to follow Oresme in believing that a centrally-controlled form of money is precarious and, by way of prudential judgement, indefensible, then we will be more prone to follow his conclusion that a commodity-backed money item is necessary. This naturally places Oresme in closer accord with the commodity theorists than the credit theorists, whom we examined in Chapter 1. In fact, the Austrian school of economics has drawn a parallel between their theory and Oresme's, claiming him as a predecessor of their work.¹ For instance, the Mises Institute even began republishing Johnson's edition of Oresme's *De moneta* when it went out of print in 2009. In this chapter, however, I want to propose that the action theory that the Catholic tradition teaches opposes the theory of human action found in the Austrian school. There are two reasons why I focus on the Austrian school in particular, in addition to their claimed connection with Oresme. The first is that there is a high concentration of Catholics, particularly in the United States but also beyond, that subscribe to the Austrian school. Popular Catholic apologists as well as economists, even academics working on Catholic Social Teaching, assume the Austrian tradition as their own. In this chapter, I hope to demonstrate that the Catholic tradition and the Austrian tradition are fundamentally opposed—first and foremost in their misunderstanding of the effects of money and its integration into theology and the social order. This task is not tangential to

¹ Cf. Jörg Guido Hülsmann, *The Ethics of Money Production* (Auburn, AL: Ludwig von Mises Institute, 2008) in which Oresme is the subject of the first half of the volume. Also, consider Murray Rothbard's *Economic Thought Before Adam Smith*, 74; Rothbard made the error, misguided by the scholarship at his time, that Buridan, Oresme's professor, first articulated ideas before Oresme did, yet this has been overturned in recent years.

the study, but fundamental to it, as it demonstrates how, as Aquinas put it, money by its nature hinders charity by enticing and distracting the mind. As discussed in the last chapter, the way one acts is a function of what one understands to be real—and one’s actions in turn concretizes one’s conception of that perceived reality. Thus in the present chapter, I want to assume the arguments of the last chapter, and of Aquinas and Bonaventure’s claim that the universality of money creates an occasion of sin for the user. Particularly, I want to argue in this chapter that, through the operation and relations of money, it veils the gift economy that is natural to the created order of the world. I want to demonstrate how the ideology of the Austrian school, in contrast to the Catholic tradition, deforms one’s perception of the cosmic order.

The Liberal Theory of Human Action

Action theory attempts to establish ways of understanding social relations. The attempt, however, is not always an exercise in a positive science, an academic endeavor to describe how things are. Often people want to understand what things are so they can build institutions. Murray Rothbard, a celebrated Austrian economist, offered a prime example of this when he attempted to answer “the difficult case of *children*”—do parents have the right to sell their sons and daughters?

He began with the Lockean assumption that a person owns his body.² Rothbard applied this principle to the case of pregnant women, stating that, “Clearly no *born* humans have such a right [to be a “coercive parasite”], and therefore, *a fortiori*, the fetus

² “The right of self-ownership by each man has been established for adults, for natural self-owners who must use their minds to select and pursue their ends.” This is a notion embedded in John Locke’s *Two Treatises of Government*, and Rothbard frames his inquiry on an idea first espoused by Locke in the very next sentence: “On the other hand, it is clear that a newborn babe is in no natural sense an existing self-owner, but rather a potential self-owner” (Murray Rothbard, *Ethics of Liberty* [New York: New York University Press, 1998], 97; he cites this to Locke, *Second Treatise*, VI, 55).

can have no such right either.”³ He thus concludes that the mother has the right to abort such a parasite.

The case is different if the child has been born. Since the baby, although independent, cannot exercise self-ownership, someone else must have ownership over it: and so “the parents—or rather the mother, who is the only *certain* and visible parent—as the creators of the baby become its owners.”⁴ But, given that the child is a growing individual who has the right to self-ownership (a “potential adult”), this is an ownership “limited *in time*” and “also ... limited *in kind*.” The parent’s role is, then, somewhat like that of a trustee. Within this trustee-like role, the parent has certain legal obligations. She does not, however, have “the legal obligation to do anything for” the child—since, for Rothbard, “the only legal obligation one man has to another is to respect the other man’s [negative] rights.”⁵ So Rothbard says:

Applying our theory to parents and children, this means that a parent does not have the right to aggress against his children, *but also* that the parent should not have a *legal obligation* to feed, clothe, or educate his children, since such obligations would entail positive acts coerced upon the parent and depriving the parent of his rights.⁶

The parent does have certain legal limitations as she is not an absolute owner: she may not *actively* harm the child (though she does not have to feed him).⁷ This is Rothbard’s limitation of kind. As to the limitation of time, Rothbard answers: “The child has his full rights of self-ownership *when he demonstrates that he has them in nature*—in short, when he leaves or ‘runs away’ from home.”⁸ But, he continues, “Regardless of his age, we must grant to every child the absolute right to run away and to find new foster parents who will

³ *Ethics of Liberty*, 98. All italics are original.

⁴ *Ibid.*

⁵ *Ibid.*, 100. Rothbard specifies that he does mean negative: “The very concept of ‘rights’ is a ‘negative’ one, demarcating the areas of a person’s action that no man may properly interfere with.”

⁶ *Ibid.* Rothbard fundamentally separates legal obligation and moral obligation: see his fn. 2 on p. 98 and his p. 101. We will discuss the liberal economic understanding of normative and positive statements below.

⁷ *Ibid.*

⁸ *Ibid.*, 103.

voluntarily adopt him, or to try to exist on his own.”⁹ He determines that the parents, too, have the right to terminate the relationship:

If a parent may own his child (within the framework of non-aggression and runaway freedom), then he may also transfer that ownership to someone else. He may give the child out for adoption, or he may sell the rights to the child in a voluntary contract. In short, we must face the fact that the purely free society will have a flourishing free market in children.¹⁰

This is his primary conclusion: that there ought to be an unsuppressed market of children.

This conclusion is so aberrant that one may be tempted to dismiss it as the result of faulty logic, only adduced by one wayward thinker. But Rothbard’s theory of relationships as mere contractual arrangements is difficult to get around if one agrees to the premises that all persons have an owner, whether it be themselves or a temporary trustee, and that they operate through atomized exchange relations. Rothbard was simply working out the anthropological assumptions of his economic school.

Ludwig von Mises, Rothbard’s professor—often called The Last Knight of Liberalism—sets forth some of these assumptions in his book entitled *Liberalism*. He writes:

We liberals do not assert that God or Nature meant all men to be free, because we are not instructed in the designs of God and of Nature, and we avoid, on principle, drawing God and Nature into a dispute over mundane questions. What we maintain is only that a system based on freedom for all workers warrants the greatest productivity of human labor and is therefore in the interest of all the inhabitants of the earth.¹¹

Ironically, Mises is doing theology here, reasoning from the basis of a creed. Mises’ theological claim is a negative one, but no less theological for that: God does not make his will known. Distancing himself from the Christian tradition, Mises instead offers a normative commitment: that as many individual wills as possible should be fulfilled. For

⁹ Ibid.

¹⁰ Ibid. It is interesting that this conviction is the same as the original founder of Liberalism, Thomas Hobbes, who, in *Leviathan* II.xx.5 begins his section on the topic: “Seeing the infant is first in the power of the mother, so as she may either nourish or expose it...”

¹¹ Mises, *Liberalism* (San Francisco: Cobden Press, 1985), 22.

Mises, these a priori assumptions, the theological and the normative, guide and then create a specific conception of the world in which the absence of God destroys any real teleology. This situates him within the utilitarian tradition, which famously believes that all action should be directed toward achieving the greatest happiness for the greatest number of people. This tradition does not see individuals as working for a common good. There is nothing they are corporately ordered toward achieving.¹²

From the supposedly positive observation that God and Nature have not made manifest their plans, Mises derives the normative principle that we ought to ignore God and Nature and determine people free to choose as they will. In attempting to fulfill his utilitarian goals, he sets productivity, or efficient output, as an axiomatic good; it is the means by which individual desires can be fulfilled.¹³ There is a strange contradiction in this idea, namely, that the end of productively is actually a means. Productivity only serves to reduce the time between desires and their fulfillment. Because God's will is assumed to be unknown, there is no specific good to produce, no intentional object of productivity; rather productivity itself (which seems to have simply been defined as will-

¹² One could dispute this claim, stating there is some semblance of the common good within a utilitarian framework. To this I would reply that it would only be a predicative common good. "Common" as a predicative description is what unites genera and species together—ie. "animal" is a common name for every animate creature only because it can be predicated of each living creature. The predicatively common goods can only be realized in each individual person specifically. To say that wish fulfillment is a common good may be true, but it refers to each individual being having their own wills realized—not a collective desire as a whole. Such predicative descriptions only become universal, or truly common, in the intellect. "Common" has a second meaning and that is in terms of causality. In causality, a good can truly be common and in the same respect belong to the individual. Among many examples, Aquinas considers an army to describe this type of commonality (see his *Commentary on the Metaphysics* VII.1303). The army in its entirety has a particular order, which is its common good, helping it to achieve victory. Without its order, there would hardly be army, let alone an effective one. But since order is the form of the whole army, it is common to all the parts. Each soldier's own ability and effectiveness is in large part dependent on the order of the whole—indeed the soldier only knows what to do by virtue of his place in the whole. The order itself then is a common good—a good for both the parts as well as the whole, which exceeds any individual's private good. Further, see Gregory Froehlich's "On the Common Goods" in *The Aquinas Review* 15 (2008): 1–28.

¹³ He argues that capitalism achieves such an end: "What it says is simply that for the attainment of the ends that men have in mind only the capitalist system is suitable and that every attempt to realize a socialist, interventionist, agrarian socialist, or syndicalist society must necessarily prove unsuccessful. Neurotics who could not bear this truth have called economics a dismal science," *Liberalism*, 90.

fulfillment) is asserted as the telos of the social order. Yet one has to see the outputs of the productive system to see any sort of good. Understanding how productivity works is what leads Mises to an evaluation of human action. He states that,

Action is an attempt to substitute a more satisfactory state of affairs for a less satisfactory one.... A less desirable condition is bartered for a more desirable. What gratifies less is abandoned in order to attain something that pleases more. That which is abandoned is called the price paid for the attainment of the end sought. The value of the price paid is called costs.¹⁴

All human action can be best articulated in terms of profits and losses—though not necessarily in terms of money. Further, Mises determines that these exchanges are based upon a person’s preferences, which can be articulated by ordinal numbers, e.g. “I prefer the cow over the goat” or “I prefer having a child rather than not.” Embedded in this is a ranking of ordinal numbers: first, second, etc. Anyone can determine a person’s preference based upon his action: clearly Bob wanted the cow more than the goat because he bought the cow and not the goat. But this does not mean that anyone can quantitatively calculate how much something means to another individual.

It is vain to speak of any calculation of values. Calculation is possible only with cardinal numbers. The difference between the valuation of two states of affairs is entirely psychological and personal. It is not open to any projection into the external world. It can be sensed only by the individual.¹⁵

Above we see Mises articulating the transition from ordinal to cardinal numbers—a transition from evaluating one’s actions in terms of preferences to evaluating them in terms of money. Assigning numerical quantities to certain goods and services can only be made at the individual, psychological level. People can determine what one’s preferences are by their actions, but only the autonomous individual can determine what a certain thing means to him numerically. But once he does make this translation of desires into

¹⁴ Mises, *Human Action*, 97.

¹⁵ *Ibid.*

cardinal numbers, he has made the transition to economic calculation.¹⁶ In other words, once prices are involved, one has made the transition from normal living to doing business.

Mises distinguishes between *non-monetary* exchanges—which he calls ends-based action, dubbing the study of such actions “praxeology”—and *monetary* exchanges—which he calls means-based action, calling the study “catallactics.” But he offers no theory of when catallactic exchange is permissible and when—in the case of selling children—it is morally repugnant. He claims that this is not his project:

Normative disciplines aim at the cognition of what ought to be. They are not neutral with regard to facts; they judge them from the point of view of freely adopted standards. This is not the attitude of praxeology and economics. They are fully aware of the fact that the ultimate ends of human action are not open to examination from any absolute standard.¹⁷

Economics, for Mises, is a science similar to physics or chemistry; the individual decisions of a person do not hamper his ability to identify regularization in human action. Thus Mises proposes that ethics is a field unrelated to economics.¹⁸ Though much has been made of the difference between monetary versus non-monetary exchange within Mises’ thought, given the fundamental theological vista of utilitarianism, the distinction is hardly significant. Both forms of exchange involve individuals motivated to seek their own benefit, outside of any duty to seek the common good. More simply, a non-monetary exchange can become a monetary one at any point. For instance, I can make bread to give

¹⁶ Speaking of this phenomenon, Rothbard later said, “Economic value consisted of the *valuations* made by choosing individuals, and prices resulted from market interactions based on these valuations,” Murray N. Rothbard, “Foreword” in Mises, *Theory of Money and Credit*, 13. Menger makes a similar argument in his *Principles of Economics*, 101, stating that an object becomes “economic” as soon as it is understood to be tradeable. “It is also evident that the economic or non-economic character of goods is nothing inherent in them nor any property of them, and that therefore every good, without regard to its internal properties or its external attributes, attains economic character when it enters into the quantitative relationship explained above, and loses it when this relationship is reversed.”

¹⁷ Mises, *Human Action*, 95.

¹⁸ Cf. *Ibid.*, 143–4: “Theology and the metaphysics of history may discuss the ends of society and the designs which God wants to realize with regard to society in the same way in which they discuss the purpose of all other parts of the created universe. For science, which is inseparable from reason, a tool manifestly unfit for the treatment of such problems, it would be hopeless to embark upon speculations concerning these matters.”

freely to people or I can begin charging my neighbor for my loaves.¹⁹ Praxeology and catallactics ultimately serve the end of fulfilling an individual pleasure; the former is a direct means of doing so, the latter indirect.

Gary Becker, a libertarian following a particular strand of the Austrian school and a Nobel Prize laureate in economics, attempted to redefine economics to encompass all human life. He writes in *The Economic Approach to Human Action*:

I have come to the position that the economic approach is a comprehensive one that is applicable to all human behavior, be it behavior involving money prices or imputed shadow prices, repeated or infrequent decisions, large or minor decisions, emotional or mechanical ends, rich or poor persons, men or women, adults or children, brilliant or stupid persons, patients or therapists, businessmen or politicians, teachers or students.²⁰

Becker is not faithful to Mises' original theory in stating this; rather, finding a weakness in the latter's thought, he explicitly flattens the division between praxeology and catallactics.²¹ Yet his theory does not differ from Mises', beginning also with the principle that all actions are transactions. Even one of the most intimate decisions, whom to marry is, for Becker, based upon the same principle:

According to the economic approach, a person decides to marry when the utility expected from marriage exceeds that expected from remaining single or from additional search for a more suitable mate. Similarly, a married person terminates his (or her) marriage when the utility anticipated from becoming single or marrying someone else exceeds the loss in utility from separation, including losses due to physical separation from one's children, division of joint assets, legal fees, and so forth. Since many persons are looking for mates, a *market* in marriages can be said to exist.²²

In this paradigm, the desire for a spouse and the desire to make money are the same. It makes sense that a person would even sell his child, given the right price. If the individual

¹⁹ Praxeological actions of man, which Mises specifies "does not deal with the eternal world, but with man's conduct with regard to it," concentrates on individual ends and thus reveals the normative assumptions of an individual. He does not explore whether there are commonalities between behaviors or why they may exist. His science is merely to identify the positive sequences of when a person does act according to a normative pattern.

²⁰ Gary S. Becker, *The Economic Approach to Human Behavior* (Chicago: University of Chicago Press, 1976), 8.

²¹ Mises, in contrast, thought that all actions, in some sense, fit under praxeology: see *Human Action*, 232.

²² Becker, *The Economic Approach*, 10.

is the fundamental operator in the economy, then all relationships are contractual—limited by agreements to the extent that one wants to interact with the other. Transactions become the gateway for procuring the goods to fulfill that individual's will. All actions are akin to monetary interactions. The manner of and mentality in acting is not different whether one uses money or not. The self-interested individual binds himself to certain ventures in order to achieve a profit. For Mises, this liberal definition of action is as much at play within the home as in business or commerce: “Where each household is economically self-sufficient, the privately owned means of production exclusively serve the proprietor. He alone reaps all the benefits derived from their employment.”²³ Why does the father share with his family? Because he finds satisfaction in that. This also means that he can leave whenever he finds satisfaction in doing so.

This liberal action theory clearly assumes a monetary logic. All situations, relationships, and positions are exchangeable or replaceable. While this theory of action is tautological, by Mises' own admission,²⁴ it is one that reduces to absurdity. To understand the world through the lens of monetary-esque interactions, one must be ready to have something as extreme as a free market in children. The theory dismisses the second-person perspective, the lens of personal relations, as understood within virtue theory, and, as a result, is blind to anything that hampers its development.

²³ Mises, *Human Action*, 683–4. This he says in contrast to the one who does not have his own productive property. They are dependent on the market, just as family members are to the proprietor: “In the market society the proprietors of capital and land can enjoy their property only by employing it for the satisfaction of other people's wants.” This latter system he praises as it forces ownership to be “a social function.”

²⁴ *Ibid.*, 38.

A Theology of Gift

The difference between liberal action theory and a Catholic theory of action is that, within the latter, action is never “individual,” neither in its ends, nor considered in itself—and any attempt to be an individual actor is not simply an evil, but a pretense. The Catholic tradition has set different axioms for understanding human actions—axioms that revolve around God’s eternal law and the cosmic order he created. Action is for friendship—first with God and then with neighbor.²⁵ Human actions are rational movements of the will that either cultivate friendship or tarnish it.²⁶

The tradition has landed on this conclusion by grounding its thinking in natural reason as well as what it believes to be a form of divine revelation, dismissing the Misesian creed that “we are not instructed in the designs of God and of Nature.”²⁷ Within this tradition, we find that God alone is the only “individual” actor. He alone can create whatever he wants, however he wants, without constraint.²⁸

Aquinas understands God to be *ipsum esse subsistens*—subsistent being itself—as opposed to created being, *ipsum esse*, which, as created, does not subsist on its own.²⁹ Far from being part of God, being, *esse*, is the first of created realities—but a created reality

²⁵ Friendship ultimately involves a shared orientation to one end: the beatific vision. Insofar as friendship demands a communion between persons, Aquinas argues that this communication is charity: “Wherefore it is evident that charity is the friendship of man for God” STh., II-II q.23 a.1 resp.

²⁶ While there is a long line of authoritative thinkers in the tradition who have made this claim, I here attempt to exposit the Thomistic argument of Ferdinand Ulrich and his disciples. For his magnum opus, see Ferdinand Ulrich, *Homo Abyssus: The Drama of the Question of Being*, trans. D.C. Schindler (Washington, DC: Humanum Academic Press, 2018). And to understand his magnum opus, I recommend D.C. Schindler, *A Companion to Homo Abyssus* (Washington, DC: The Catholic University of America Press, 2019). While I have serious reservations with his argument of the kenotic creation, as it has fundamental metaphysical weaknesses, his articulation of cosmic gift and communicable being is not only traditional but illuminating in contrast to the liberal framework.

²⁷ Bonaventure, for his part, understands theology as “a science founded upon faith and revealed by the Holy Spirit.” *Breveloquium* I.1.3.2

²⁸ “Individual” is still an incorrect term to describe God who is inherently communal. more on this, see J. Isaac Goff, *Caritas in Primo* (New Bedford, MA: Academy of the Immaculate, 2015), 268–281.

²⁹ For more on this, see Ronald P. McArthur, “Universal in *praedicando*, universal in *causando*” in *Laval théologique et philosophique* 18 (1962): 59–95; Michael J. Bolin “Man Became a Living Being: The Genesis of Substantial Form” delivered at Wyoming Catholic College, October 25, 2013.

that is profoundly similar to God’s own existence. As Aquinas says, created being is a “similitude of divine goodness.”³⁰ This gratuitous gift of being is not self-sufficient; there is a profound ontological poverty in creation as it requires the constant diffusive gift, *donum*, of God to sustain it in existence. According to Bonaventure, the First Principle provides causality to creation, not only in efficient and final causes—which provides both unity, mode, goodness, and order—but also in exemplary cause—by which truth and form are gifted.³¹ Because of this formal connection, being is an invitation to engage in the divine life—most fundamentally, in the Trinitarian life of love.³² God’s creative act of being unveils what he is like. Nevertheless, creation is a real gift truly given: creation is not a part of God; he does not keep it as part of himself. It is given, separated from the giver. Though his first act of creation is the giving of being, the *esse* given is distinct from, though “ineffably immediate to the personal love that is substantially one with God’s own subsistent being.”³³

In this regard, God has designed creation to *communicare esse*, and thus has rendered creation as dialogical. This distinction between God and creation forms the profound relation between what Ferdinand Ulrich has called an I and a Thou. By creating us *esse*, being, God has cemented the second person relation into reality itself. This is the basis of Catholic action theory. The model of love captured in creation is analogous to what man is made to accomplish. But for man, whose being is not *ens infinitum* but rather

³⁰ *De Veritate*, 22.2 ad 2: “esse est similitudo divinae bonitatis.”

³¹ Bonaventure, *Breviloquium* II.2.3; *Hexaem.* 1. 17 (V: 332).

³² Aquinas states there can be a likeness in two non-univocal things. The formality will differ but may share a “generic likeness” understood only through analogy, as a statue can be said of its human model, STh., I q. 4 a.3 resp: “Si igitur sit aliquod agens, quod non in genere contineatur, effectus ejus adhuc magis accedent remote ad similitudinem formae agentis, non tamen ita, quod participant similitudinem formae agentis secundum eandem rationem speciei, aut generis, sed secundum aliqualem analogiam, sicut ipsum esse est commune omnibus. *Et hoc modo illa, quae sunt a Deo, assimilantur ei, in quantum sunt entia, ut primo, et universali principio totius esse.*”

³³ Stefan Oster, “Thinking Love at the Heart of Things. The Metaphysics of Being as Love in the Work of Ferdinand Ulrich” in *Communio* 37.4 (2010): 660–700, 670.

a participation in being, his ability to gift substance to another is through a gift of being.³⁴ This implies that man not only lessens his state through giving but also never truly becomes a giver until he stands face-to-face with the freedom of another who can receive his gift. Freedom allows for the rational wills of men to become the proximate cause of a micro-creation—the gifting of one’s own being. It is not until one lives in relation to the Thou of another that the *raison-d’être* of his finitization of being, and thus also his need, is revealed and actualized.³⁵ Certainly an embrace of being as gift and entering into the fundamental action of *esse*, relies on the triadic third, God himself, to ever sustain the gift that is being. The I and the Thou become a We only through the unwavering reception of God’s cosmic gift and, in turn, God’s sustaining of it.³⁶

From the Catholic vantage point, this communion with God is not optional. All human action occurs within the being of creation. As briefly stated in the previous chapter, God creates our potentials of what we can do and who we can become. But this is not dependent on God alone. Our potentials are also formed by the activities of other people. Through their participation with God, the actions of others create the societies in which we have our possible range of motion. For instance, I can only renovate my home if my hardware store supplies me. My potentials are dependent upon reality. I can only activate these potentials by other things being created, shaped, and made by others. These

³⁴ For this Augustinian metaphysic, later adopted and developed by the Franciscan school, see Bonaventure’s *Hexaem.* 1. 17 (V: 332).

³⁵ Cf. Oster, “Thinking Love at the Heart of Things”, 689 for an expansion of this point.

³⁶ This insight is based upon Aquinas’ claim: “verbi gratia esse significat aliquid completum et simplex sed non subsistens,” (*De Potentia* 1. 1). This is in contrast to God who is in himself *subsistens*: “sicut dicitur in libro de causis, ipsum esse Dei distinguitur et individuatur a quolibet alio esse, per hoc ipsum quod est esse per se subsistens, et non adveniens alicui naturae quae sit aliud ab ipso esse. Omne autem aliud esse quod non est subsistens, oportet quod individuatur per naturam et substantiam quae in tali esse subsistit (*De Potentia* 7, 2, ad 5). For Ulrich, this is the real basis of being’s poverty, as in one respect created *esse* is nothing (not-a-thing), insofar as it does not subsist on its own next to God or as God. Created *esse* thus refuses to cling to itself, despite being *completum et simplex*; *Homo Abyssus*, 30–36.

activities of others constitute their participation with God: the active giving enables a relation between us.

If God has created us as constitutively involved in I-Thou relations—between himself and creation, as well as among created humanity and the whole created order—then all creation operates within the notion of friendship. In becoming friends we live out, in a microcosm, the nature and destiny of a creation as a whole, befriending God. Unlike the liberal theory, which names as the motivation for friendship one’s individual satisfaction, Catholic action theory names the fulfillment of the created order, which is union with God. This is how Aquinas describes friendship:

Augustine says (*De Trin.* viii. 10) that love is a vital principle uniting, or seeking to unite two together, the lover, to wit, and the beloved. For in describing it as uniting he refers to the union of affection, without which there is no love: and in saying that it seeks to unite, he refers to real union. For when we love a thing, by desiring it, we apprehend it as belonging to our good (*bonum*). In like manner when a man loves another with the love of friendship, he wills good to him, just as he wills good to himself: wherefore he apprehends him as his other self, in so far, to wit, as he wills good to him as to himself. Hence a friend is called a man’s other self (*Ethic.* ix. 4), and Augustine says (*Confess.* iv. 6), *Well did one say to his friend: Thou half of my soul.*³⁷

Thus, there is a twofold nature to friendship: willing the good of another and desiring union with them. Aquinas continues in the next article for clarification: “In the love of friendship, the lover is in the beloved, inasmuch as he reckons what is good or evil to his friend, as being so to himself; and his friend’s will as his own, so that it seems as though he felt the good or suffered the evil in the person of his friend.”³⁸ This idea of mutual indwelling, *mutua inhaesio* is predicated upon Aquinas’ primary declaration that the good, *bonum*, is synonymous with being *ens*, (*quod bonum et ens sunt idem secundum rem*), though not in such a notion (*sed differunt secundum rationem tantum*).³⁹ The idea of

³⁷ STh., I-II q.28 a.1 resp.

³⁸ STh., I-II q.28 a.2 resp.

³⁹ STh., I q.5 a.1 resp.

being and goodness separate insofar as one considers primal activity versus its complete actuality.⁴⁰ The former is simple, the latter relative. For example, one would say that a lame horse is not good simply as it cannot gallop though it is perfectly actual. Complete friendship and mutual indwelling are the completed actuality of love. But this implies that the ability to befriend—and, as an essential aspect of friendship, to give and receive—is fully predicated upon the shared primal actuality, a share in being. The more we cultivate the relations we have through gifts of self, the more we say it is good. But we must realize that the being we work with is common—the world’s existence, its natural order—it is the basis of the common good that we do not create but operate within. Giving is only intelligible within this common good. This common good is vast, first based in God making us being and, by doing such, has collectively bound us to each other. Unlike liberal economic action theory, gift operates within the reality of shared being and is only possible because God has already rendered us united in it. But this is not standard for gift alone; all human action operates within this movement away from or toward this completion. Virtues and vices become descriptions of where people develop or harm friendships. The individual operating according to his personal desires instead of according to the common good is vicious. Vice creates enmity among persons. The

⁴⁰ Cf. STh., I q.5 a.1 ad 1: *licet bonum et ens sint idem secundum rem: quia tamen differunt secundum rationem, non eodem modo dicitur aliquid ens simpliciter, et bonum simpliciter. Nam cum ens dicat aliquid proprie esse in actu: actus autem proprie ordinem habeat ad potentiam; secundum hoc simpliciter aliquid dicitur ens, secundum quod primo discernitur ab eo quod est in potentia tantum: hoc autem est esse substantiale rei uniuscujusque; unde per suum esse substantiale dicitur unumquodque ens simpliciter: per actus autem superadditos dicitur aliquid esse secundum quid, sicut esse album significat esse secundum quid. Non enim esse album aufert esse in potentia simpliciter, cum adveniat rei jam praeexistenti in actu. Sed bonum dicit rationem perfecti, quod est appetibile: et per consequens dicit rationem ultimi: unde id, quod est ultimo perfectum, dicitur bonum simpliciter: quod autem non habet ultimam perfectionem, quam debet habere, quamvis habeat aliquam perfectionem, in quantum est actu, non tamen dicitur perfectum simpliciter, nec bonum simpliciter, sed secundum quid. Sic ergo secundum primum esse, quod est substantiale, dicitur aliquid ens simpliciter, et bonum secundum quid, id est in quantum est ens: secundum vero ultimum actum dicitur aliquid ens secundum quid, et bonum simpliciter. Sic ergo quod dicit Boet. (loc. cit. in arg.), quod in rebus aliud est, quod sunt bona, et aliud, quod sunt, referendum est ad esse bonum simpliciter, et ad esse simpliciter; quia secundum primum actum est aliquid ens simpliciter, et secundum ultimum, bonum simpliciter: et tamen secundum primum actum est quodammodo bonum, et secundum ultimum actum est quodammodo ens.*

movement away from the completion of being, tarnishing friendship, is one of the more obviously relational events a person can experience. The loss of the relation devastates oneself in a profound manner. It harms the common good in which we exist.

Liberal economists imagine that individual action is genuinely individual, rather than always already moving the individual into greater friendship or enmity with his neighbors. This assumes that man is a monadic being rather than a fundamentally corporate one. This denial of a necessary social dimension of human action becomes painfully obvious when Mises discusses his concept of gift-giving.

“Autistic Exchange”, is Mises’ (crass) term describing a one-sided exchange not involving another person. This could either be represented by a lone person in the woods with no human contact or a solitary gift given (monetary or otherwise) to another. As Mises says:

Making one-sided presents without the aim of being rewarded by any conduct on the part of the receiver or of third persons is autistic exchange. The donor acquires the satisfaction which the better condition of the receiver gives to him. The receiver gets the present as a God-sent gift. But if presents are given in order to influence some people’s conduct, they are no longer one-sided, but a variety of interpersonal exchange between the donor and the man whose conduct they are designed to influence.⁴¹

This is one of the very few things that Mises says about gifts in his entire corpus of work, for which he has received criticism.⁴² A gift, for Mises, does not necessarily draw a response from the receiver. One can act without reference to the other and without response. Michael Watson has attempted to develop this Austrian theory of gift. In identifying the idea of autistic exchange as Mises’ baseline for gift-giving within praxeology, Watson states that the concept of autistic gifting seeks no return for what one gives: “Though... economics *qua* economics is concerned not with morally objective

⁴¹ Mises, *Human Action*, 195.

⁴² John D. Mueller, *Redeeming Economics: Rediscovering the Missing Element* (Wilmington, Delaware: ISI Press, 2010).

claims, but with what actors subjectively perceive the “good” to be, *agape* is a useful term in describing gifts for the good of the other where no return is expected.”⁴³ In stating this, Watson, a charitable reader of Mises’ project, has aligned himself, it seems unknowingly, with Anders Nygren and his concept of *agape*.⁴⁴ Nygren surmised that *agape* is an explicitly Christian form of love that is understood as a self-giving at the expense of the self and for the good of the other. It is a concept that derives fundamentally from an understanding of God’s sovereignty, which needs not to tend toward self-completion for God himself is not dependent. While at the surface, this premise is not incorrect, it is woefully incomplete because it has neglected the relational metaphysic and anthropology assumed by the tradition. As a result, it has been the target of papal pronouncements.⁴⁵

Whereas Watson categorizes gift as a form of love under exchange, a Catholic conception of gift-giving is subsumed, not under exchange, but under charity. As insinuated in the Thomistic conception of gift and virtue, love, as the summation of all virtues, is inherently personal. Gift is only fulfilled in the cultivation of a relationship, which bespeaks the necessity of the intention of the giver in orienting one toward a shared perspective. Even at a nominal level, “autism” is not only a demeaning term, but one that fundamentally fails to understand the enhanced social relations that gifts bestow.⁴⁶ The fundamental critique of the Mises/Watson/Nygren thesis is not merely that gifts tend

⁴³ Michael Watson, “Mueller and Mises” in *The Quarterly Journal of Austrian Economics* 18.2 (2015): 173–202, 188.

⁴⁴ Anders Nygren, *Agape and Eros* trans. Philip S. Watson (Chicago, IL: Univ of Chicago Press, 1982 [1930]).

⁴⁵ Benedict XVI, *Deus Caritas Est*, 2005, §7. See William C. Mattison III, “Movements of Love: A Thomistic Perspective on *Agape* and *Eros*” in *The Journal of Moral Theology*, 1.2 (2012): 31–60, 33. “Although Pope Benedict does not cite Nygren, a look at *Deus caritas est* reveals Benedict clearly has Nygren in mind.”

⁴⁶ Interestingly, “autistic” is a metaphorical term that has been used in Catholic virtue ethics to bespeak the soul that has not cultivated the virtues. Cf. Pinsent, *The Second-Person Perspective in Aquinas’s Ethics* (New York: Routledge, 2012).

toward relating to another; it is rather that gifts are only made possible through a rubric of being and of friendship.

The understanding of human action as virtue-based within the giving and receiving of being, *esse*, necessarily places exchange in terms of constant relating, as entering further into or away from the second-person perspective of God and of neighbor. Mises' definition of action as exchange may be tending in the correct definition, except for the fact that he defines exchange in a rather unusual manner: "Action always is essentially the exchange of one state of affairs for another state of affairs."⁴⁷ As Watson has highlighted, Mises' definition foregoes the usual understanding of exchange as interpersonal interaction, as exchange can either be "interpersonal exchange" or "autistic exchange". Of course, one can conceive of human action as tending toward a *perceived* opportunity cost. But his positive statement is fundamentally absurd. To take Rothbard's situation of the parent selling the child, the Catholic tradition would say that there is a relation whether the parent desires it or not. His behavior toward the child—pushing him further from the I-Thou relation or cultivating it—happens within the context of the common good. Thus, instead of developing a concept of gift within his theory of action, as Watson has done, the Catholic approach to action theory would be to fit it into the overarching theory of gift, of the movement between virtue and vice—the movement toward friendship with God and one another or toward spiritual adultery. But Mises and Watson's notion of autistic exchange is not only inappropriate and metaphysically problematic but also nonsensical. States of affairs describe public entities and thus are always interpersonal.⁴⁸ Mises is debasing language. He is committing linguistic usury,

⁴⁷ Mises, *Human Action*, 195.

⁴⁸ There is substantial philosophical literature on states of affairs, but see the foundational work of Ludwig Wittgenstein, *Tractatus Logico-Philosophicus*, trans. D. Pears and B. McGuinness (London: Routledge, 1961).

getting more back than he is giving and speculating about the potential receptivity of his readership.

Far from enabling one to view others as superfluous, as liberal monetary logic allows, the virtues and gifts, as active cooperative dispositions and instincts, orient one toward a limitless communion with others. Mises' *Theology of Exchange*, as it should be called, fails to conceive of a robust understanding of gift. In contrast, the Catholic *Theology of Gift*, I will argue, has greater explanatory power being better able to understand exchange. In particular, I want to demonstrate how a purely transactional use of money tends toward creating enmity among its users, arguing that the logic of money assumes and orients toward a degree of alienation. The design of money orients the user (ultimately unsuccessfully) to reduce himself to an individual—a monadic being.

Exchanges within a Theology of Gift

In his commentary on the *Nicomachean Ethics*, Aquinas, expanding on Aristotle's text, says "Men live together because one makes a return to another for the favors he has received."⁴⁹ While this statement may sound contractual, it should not be interpreted as such. Aquinas determines that this offering is properly non-monetary and non-contractual, but rather gift. He clarifies by stating that truly virtuous persons, "promptly express gratitude to their benefactors as if it were a sacred duty to make them a return in this way—repaying a favor is characteristic of gratitude."⁵⁰ He considers these mutual offerings as signs of "gratuitous kindness."⁵¹ Important within this model is the notion that a society is first grounded upon a communion of gratuitousness. Of course, this

⁴⁹ Aquinas, *Commentary on the Nicomachean Ethics* transl. by C.I. Litzinger, OP (Notre Dame, IN: Dumb Ox Books, 1964), §974.

⁵⁰ *Ibid.*, §980.

⁵¹ *Ibid.*, §974.

makes sense: no community of fidelity could begin with enmity or pure self-interest. For Aquinas, there is no demand on the part of the receiver to reciprocate the gift—only an expectation that he does so, and one that arises from a felt-sense of gratitude toward the other.

Aquinas speaks of this type of relation in the *Secunda secundae*. He suggests that there are two ways in which one can make recompense (*recompensatio*). The first is external, based in a form of civil justice, of which monetary reimbursements are derived. As Aquinas says: “Justice establishes equality in external things, but has nothing to do, properly speaking, with the regulation of internal passions.”⁵² This is a societal construct, Aquinas notes.⁵³ But the inherent basis of *recompensatio* that indwells within the soul stems from friendship:

A man’s obligation to repayment for favor received is based on a debt of friendship (*ex debito amicitiae*), and the nature of this debt depends more on the feeling with which the favor was conferred than on the greatness of the favor itself. *This debt does not carry with it a civil obligation*, involving a kind of necessity that would exclude the *spontaneous* nature of such a repayment.⁵⁴

A debt of friendship is the fundamental phenomenon after the reception of a good; now that an invitation for a relation has been offered, what one owes is a relation of reciprocity.⁵⁵ This debt of friendship, Aquinas says, should lead a man to “be of service to

⁵² STh., II-II q.117 a.2 ad 3: *iustitia constituit aequalitatem in istis exterioribus rebus, non autem ad eam proprie pertinet moderari interiores passiones. Unde aliter pecunia est materia liberalitatis, et aliter iustitiae*. John H. Baldwin in his “The Medieval Theories of the Just Price” in *Transactions of the American Philosophical Society*

New Series 49.4 (1959): 1–92, 10 describes the Aristotelian position as follows: “Justice was not a part of virtue but co-extensive with virtue. In this sense a just man was one who kept the mean state of conduct and was equivalent to a virtuous man.”

⁵³ It should be stated that social constructions are not dismissible, since they, too, are often borne in custom, which gives order to personal relations—and which makes justice co-relational with virtue. See the previous footnote for more.

⁵⁴ STh., II-II q.78 a.2 ad 2

⁵⁵ As Martin Buber, though not speaking from within a Thomistic account of being, states “One should not try to dilute the meaning of the relations; relation is reciprocity,” (Martin Buber, *I and Thou*, trans. Ronald Gregor Smith (New York: Charles Scribner’s Sons, 1970 [1923]), 58). Gift is meant to lead one into a shared life with others. But, as stated above, the definition of gift does not depend upon the reciprocity.

one who has done him a favor, e.g., bestowed a gratuitous kindness, and that he be not content to give only as much as he received but that in return he begins to offer more than he got so that he himself may do a favor.”⁵⁶ In other words, virtuous friendship leads to a holy competition of gifts—but gifts, he specifies, that cannot be compelled or demanded, otherwise the relation is not a genuine reciprocity of persons but a mechanism. Nicholas Healy, attempting to exposit Aquinas’ understanding of gift in friendship, writes: “To want a gratuitous friendship is also to want to be surprised, and so to refuse to know in advance the actual shape of that gratuity, should it actually occur.”⁵⁷ Within this framework, we clearly see that gift is not opposed to debt—it merely continues to conceive of it as qualitative, uncoerced, and unspecified.

It is clearly absurd for someone who gives a gift to demand something in return. And yet that is precisely what money operations depend upon. The design of money circumvents the reality of amicable relation; the use of money phenomenologically instructs one that equal reimbursement is both ostensibly possible and compulsory. As the price mechanism equates a good with currency, aiding one’s belief that there is a sense of precise reimbursement that is possible. But, as discussed, this is a profound misunderstanding of reality. For example, it would be bizarre if a child ever wrote a cheque to reimburse his parents for bringing him to life. One could try to put a dollar amount on the medical bills, the nursery expenses, the food consumed, the diapers ruined, the hourly rate of the parent. But this is all an obvious absurdity. The same thing is true for all things given to another: they are unrepeatable goods. Money, as the greatest of all commodities creates the illusion of repeatability. But despite how commodified a good

⁵⁶ Aquinas, *Commentary on the Nicomachean Ethics*, §974

⁵⁷ Nicholas J. Healy, “Henri de Lubac on Nature and Grace” in *Communio* 35.4 (2008): 535–564, 548.

becomes, it is a singular object given at a singular point of time. It is unrepeatable. As a result, something given to another cannot be properly reimbursed—a word literally meaning “returning to one’s purse”—a concept that believes restoring a state as it was before, is indeed possible.

A gift does not fit the theoretical category of a monetary exchange—a gift is a sign of love, almost sacramental insofar as it signifies what it effects: the love of one to another. One cannot reimburse another for a gift. But he can enter into a relationship of self-giving with that person. This is why spouses in a healthy relationship do not pay one another for anything: fixing the sink, preparing dinner, doing the laundry. Their lives are intertwined as they mutually and endlessly give and receive to and from one another, which is similar to the child and the parent. Spouses recalling credits—reminding the other who last changed the baby or who did the dishes—is a sign that a relationship is strained and reciprocity faltering.

Every action and every object is unique; there is no method of perfectly translating it into an equivalent value of something else. Monetary exchanges merely present to us an illusion of reality in which such a repayment, or even a strictly equal transaction, is possible. It suggests that debts must be erased by just *recompensatio*, rather than fulfilled in friendship. But this monetary mechanism is only possible because it is parasitic on the gift economy: we apply a false accounting mechanism upon the natural relations of giving and receiving.

There is no doubt that money is itself a form of debt.⁵⁸ Though metallic money has a foot in the real by virtue of being material and actual, even beautiful, by convention

⁵⁸ The Austrian school rightly points out the difference between money and a credit—an argument that is helpful for distinguishing modern banking techniques. But as a placeholder, money serves as some form of credit for a real good, and thus fits into the same generic category.

it is used as debt and not for its material existence. As Aquinas says, “money receives the name of debt through being due to some one, though money and debt are altogether the same.”⁵⁹ But the monetary logic of equating a form of credit with a good, phenomenologically presents itself as fulfilling an obligation. Insofar as an obligation is supposedly fulfilled, the payment of a monetary debt does not invite one to further relationship but to understand that the relationship has completed its course.

The difference between a gift that is meant to lead to a relation and a transaction that is completed in a reimbursement is poignant.⁶⁰ A gift, properly speaking, is indeed fulfilled in the reception of the gift. But a gift, insofar as it is the donation of being, establishes a relation. Reciprocity is only mediated through the establishment of the relationship. Failing to respond to the medium is for love to go unfulfilled; it is to leave the relation. Thus, the object is, ultimately, the other person, not the object received from them.

Money is not designed to continue that relation. The monetary tool enables relationships to begin and end without either party knowing the other. While this may merely be a pragmatic solution to the problem of scarcity in a postlapsarian world, one could easily over-rely on such a system. Indeed, this was Aquinas’ point when he wrote that “the desire of money is said to be the root of sins... because they are much sought after as useful for any temporal end.”⁶¹ What the nature and ubiquity of money distracts from is gift.

⁵⁹ STh., III q.86 a.3 ad 4; see also STh., I-II q.54 a.2 obj. 3, and its reply: the understanding of the just use of money is in debt repayment never receives criticism.

⁶⁰ This is a point that Kenneth L. Schmitz, in his excellent book *The Gift: Creation* (Milwaukee: Marquette University Press, 1982) downplays. I hope to make a contribution off of his insights.

⁶¹ STh., I-II q.84 a.1 ad 2

The over-use of money in exchange violently disturbs the natural order of giving and leaves the money-dependent person alienated from his neighbors. In such a situation, money replaces the motivation of love. The common good is neglected and uncultivated because the personal approach is unnecessary. In other words, the very predicament we observed in the Austrian school's notion of human action corresponds to the results of a monetary economy; the person becomes an individual, not actually, but in terms of personal communion and love. He obtains what he needs, not through relationships of love, but by compelling another by means of a good the other wants.

The liberal economic understanding of man as a monadic being *appears* to be actualized in the over-use of money. But clearly the person with money is still dependent on others; he merely does not know the people who provide for what he wills. Indeed, even immediate reimbursement cannot escape from the primal form of reciprocal gift, strained as it is. The monetary economy is parasitic of nature's gift economy. The desire for security, for power, for comfort has led to *esse* going unfulfilled and degenerated, though still totally dependent on it for all desires. Though one cannot escape this fundamental reality, he can reject the gift of love, from the life of *inhaesio* with God and with neighbor. Instead, society has preferred an artificial alternative. He has created a mechanism by which the relationship can end at the moment it begins; he has created a system by which another never becomes a Thou, only to remain a He, She, or It. The other's face, the window into the other, is rebuffed. All become like the avaricious in Dante's Hell simultaneously losing the ability to see others' faces and for others to see his own face.⁶² This parasitic relationship on the gift of being—in which the parts desired are accepted and the rest dismissed—is captured by our word “contract.” In a contract, a

⁶² Dante, *Inferno*, Canto 7.

union of being is accepted in a limited manner for a particular benefit without the lives of the parties ever incorporated, without the other ever known as Thou.⁶³

Such ignorance of the other person within monetary exchanges does not lend itself to a disposition of happiness for the other in the exchange. Offering a gift to a friend is a time of rejoicing for the giver as he knows that a need of his friend has been met or a delight fulfilled. It is their knowledge of the Thou and the shared life that they lead that allows for the sensation that a gift for one is a joy for both. The Christian tradition has long articulated this fact in its doctrine of participation or mediation. Love is communicated through mediation—but a mediation that is also a giving of oneself: *bonum est diffusivum sui*. This is why, according to the Catholic tradition, a sacrifice is ultimately a gift of self, an act of union with God to whom one gives the offering. Hence, the giving is spurred by an attribute in the other; the giver, “moves himself in giving, not arbitrarily as it were, for no reason at all, but *because he is moved by the beloved*.”⁶⁴ There is a real impoverishing on the part of one, but the communion of the good becomes an occasion of thanksgiving (*eucharistia*).

If money enables one to relegate the common good behind the private good and replaces knowledge of the other for ignorance, then there is no cause for shared joy when giving to another. That is why Aquinas notes, “money is acquired under coercion and is

⁶³ The term contract has a long history of interpretation within political philosophy, but perhaps had a no more influential theorist than Thomas Hobbes. Hobbes’ anthropology is a radical departure from this Christian vision of man in being. For him, the monadic interpretation of persons is correct. For him, people are totally alienated. It is only “fear of oppression [that] disposeth a man to anticipate or to seek aid by society,” (*Leviathan*, I.xi.9). Only the contractual relation of living collectively under positive law enables a peaceful relationship with others: “The notions of right and wrong, justice and injustice, have there no place. Where there is no common power, there is no law; where no law, no injustice. Force and fraud are in war the two cardinal virtues,” (*Leviathan*, I.xiii.13). Mediating one’s existence to another is only made possible through a third—a sovereign with common power who can ensure the non-violence of the interaction. Because there is no natural trust, no love grounded in being, within his model (Hobbes held to a simple nominalism: “there [is] nothing in the world universal but names; for the things named are every one of them individual and singular” *Leviathan* I.iv.6), contract is not the purposeful limitation of a relationship but the beginning of one.

⁶⁴ D.C. Schindler, “Mediation: The Distinguishing Mark of Christianity” in *Communio* 48.1 (2021): 6–29.

parted with under coercion.”⁶⁵ The reason why one would trade with a stranger is that he has what the one needs. It is, properly speaking, an egocentric exchange; there is a desire for gain without necessarily a corresponding desire to give. Naturally, this is not in and of itself evil: people have needs that must be met. But when the majority of one’s exchanges occur in such a manner without the felt-debt of friendship or a rejoicing in the other’s reception, there is a habituation toward an inordinate self-absorption. Such habituation can be the basis of two species of pride, what Aquinas lists as the third and fourth species.⁶⁶ The fourth type—when a man despises others and wishes to be singularly conspicuous⁶⁷—applies to the description of the person, unaware of the nature of gift-giving embedded in money. He feels coerced to offer a precise amount of money in return for what he has received. He begrudgingly hands over his money for the good he desires. This is a disposition that is properly antagonistic to the reality of gift and to his dependence on others. It is a disposition that emerges from the third species of pride that can be identified, says Aquinas, as “when a man esteems the good he has received of another as though he had it of himself, the result is that his appetite is borne towards his own excellence immoderately.”⁶⁸ For example, if I go to my closet and see that all my clothes are items that I “earned”, then I have neglected the important fact that it was produced by another. The work of their hands becomes the fruit of my labor. Precisely because of this causal pretense embedded in the design of money, I easily fail to recognize that my ability to clothe myself, say, is a gift from another. As Pinsent has said of this third type of pride, “the relationship with the giver has a contractual quality and follows the logic of commutative justice, ‘*You are doing something for me because I can*

⁶⁵ Aquinas, *Commentary on Nicomachean Ethics*, 1.5 §71

⁶⁶ STh., II-II q.162 a.4 resp.

⁶⁷ Ibid.

⁶⁸ Ibid.

do something for you.' Gifts are received in the manner of a business transaction rather than as genuine *gifts*."⁶⁹ Connected to the very use of money are then two of the deadly vices: avarice and pride. The mask that money places over reality surreptitiously orients people away from virtue—from a life of *mutua inhaesio*—and toward these vices. It is then unsurprising that Thomas Aquinas, as we read, does not merely condemn the love of money as an end in itself, but also the regular use of money.⁷⁰ Augustine warns his congregants of a similar, if not the same predicament. Preaching from 2 Timothy on the verse, "In the last days dangerous times will come, for people will be lovers of themselves, lovers of money," Augustine comments:

What are the dangerous times? "There will be people loving themselves." That's the core of the evil. So let's see if they remain in themselves by loving themselves; let's see, let's hear what comes next: "There will be people, he says, loving themselves, lovers of money." Where are you now, you that were busy loving yourself? Obviously, you're outside. Are you, I'm asking you, are you money? Obviously, after loving yourself by neglecting God, by loving money you have even abandoned yourself.⁷¹

This pastoral question is grounded in a profound insight: the departure from the reality of gift does not augment but mitigates what makes life most human, which is Augustine's very point.⁷² The type of buying and selling, in which Leo the Great thought it was hard to avoid sin, is a form of giving and receiving that habituates one away from understanding the world as communion and enables one to think of oneself as an individual.

⁶⁹ Andrew Pinsent, "Humility" in *Being Good* ed. Michael W. Austin and R. Douglas Geivett (Grand Rapids: Eerdmans, 2012), 253.

⁷⁰ STh., I-II q.84 a.1 ad 2

⁷¹ *Serm.* 330.3. This is reminiscent of Ps 135:15–18, which reads, "The idols of the nations are silver and gold, the work of human hands. They have mouths, but they do not speak; they have eyes, but they do not see; they have ears, but they do not hear, and there is no breath in their mouths. Those who make them and all who trust them shall become like them."

⁷² *Ibid.*, "You do this because by leaving God out of your life and loving yourself, you have also gone away from yourself."

Dominion and Ownership

Monetary exchange exists, ultimately, for the sake of a transfer in ownership—that one may own apart from anyone else.⁷³ In his *Human Action*, Mises articulates his idea, grounding it in his understanding of human anthropology. As may already be apparent, Mises subscribes to the liberal idea of the state of nature, where man lived an “isolated life” apart from anyone else—and this is the fundamental way of understanding what man actually is. He writes: “Individual man is born into a socially organized environment. In this sense alone we may accept the saying that society is—logically or historically—antecedent to the individual. In every other sense this dictum is either empty or nonsensical. The individual lives and acts within society. But society is nothing but the combination of individuals for cooperative effort.”⁷⁴ Within this liberal framework, private ownership does not exist within this state of nature; he writes: “Private property is a human device. It is not sacred. It came into existence in early ages of history, when people with their own power and by their own authority appropriated to themselves what had previously not been anybody’s property.”⁷⁵ His account of the formation of private property is not far off from the Catholic tradition’s own, as he writes:

The history of private property can be traced back to a point at which it originated out of acts that were certainly not legal. Virtually every owner is the direct or indirect legal successor of people who acquired ownership either by arbitrary appropriation of ownerless things or by violent spoliation of their predecessor.⁷⁶

Yet this system of private possession maintains an order and stability of a society without which it could not exist. Possession, then, becomes an absolute right within his thought

⁷³ This is the claim of Murray Rothbard in his essay, “Interpersonal Relations: Voluntary Exchange” in *Ethics of Liberty*, 35–43. It seems indisputable.

⁷⁴ Mises, *Human Action*, 635.

⁷⁵ *Ibid.*

⁷⁶ *Ibid.*

and for his tradition.⁷⁷ Murray Rothbard writes that, within the human legal construct of a society that champions freedom, “no ownership titles are ‘distributed,’” meaning his ownership is not “molested, violated, or interfered with by anyone else.”⁷⁸ As his student Robert LeFevre articulated, “Any man may do precisely as he pleases with what he has totally and honestly acquired.”⁷⁹ This form of absolute ownership creates a microcosm in which the isolated individual can still function as an individual within a larger society.⁸⁰ He can remain solitary yet without having to face the active brutality of the war of all against all.

For the Catholic tradition, there are certainly strong similarities to the Austrian account of ownership. As many popes do when writing on social doctrine, Pope John Paul II begins his account of ownership by recalling the universal destination of earthly goods: the doctrine that “God gave the earth to the whole human race for the sustenance of all its members, without excluding or favouring anyone.”⁸¹ This “first principle,” as the popes call it, directs how the world should be used—for the common good—but it also suggests that there can be no a priori division of the land. So how does private property arise within this frame? John Paul II states that it is through work that man achieves his dominion over the land:

It is through work that man, using his intelligence and exercising his freedom, succeeds in dominating the earth and making it a fitting home. In this way, he

⁷⁷ The only variation in the Austrian School on this matter is whether the absolute right of ownership is a derivative of a Lockean conception of nature or a pragmatic right granted by the coercive protection of the government. The first reflects Mises’ quasi-positive project in *Human Action* while the latter represents Rothbard’s normative project in the *Ethics of Liberty*. In both cases, however, the right ought to be absolute.

⁷⁸ Rothbard, “Interpersonal Relations: Voluntary Exchange” in *Ethics of Liberty*, 41.

⁷⁹ Robert LeFevre, *The Philosophy of Ownership* (Auburn, AL: Mises Institute Press, 2007 [1966]), 29.

⁸⁰ Rothbard, “Interpersonal Relations: Voluntary Exchange” in *Ethics of Liberty*, 41: “Being in a society of voluntary exchanges, each man can enjoy absolute liberty not in Crusoe-like isolation, but in a milieu of civilization, harmony, sociability, and enormously greater productivity through exchanges of property with his fellow men. Absolute freedom, then, need not be lost as the price we must pay for the advent of civilization.”

⁸¹ *Centesimus annus* 31. One can find this doctrine taught in CCC 2401–2406.

makes part of the earth his own, precisely the part which he has acquired through work; this is the origin of individual property.⁸²

Again, he writes in *Laborem exercens*: “Work understood as a ‘transitive’ activity, that is to say an activity beginning in the human subject and directed toward an external object, presupposes a specific dominion by man over ‘the earth,’ and in its turn it confirms and develops this dominion.”⁸³ This is much more than a pragmatic means of dividing land. As the pope taught, “Work bears a particular mark of man... the mark of a person operating within a community of persons.”⁸⁴ When a person works upon an object, he renders it into a shape and form that reveals the particular construct he conjured in his own mind. The object begins to bear a mark of that particular person. Just as creation reveals God, so too does the object of man’s work unveil the man. This “externalization” of the Godhead in created being receives additional reality as man impresses his own likeness into the world through his work. This likeness, theologically speaking, is the basis of a particular kind ownership. The ownership of this kind is not merely juridical or legal but properly metaphysical. This metaphysics of ownership, Pope John Paul II states, is predicated upon man being like God in his capacity to imprint himself upon the created order: “Man has to subdue the earth and dominate it, because as the ‘image of God’ he is a person, that is to say, a subjective being capable of acting in a planned and rational way, capable of deciding about himself, and with a tendency to self-realization.”⁸⁵ Such a form of ownership does not, however, render the possession exclusive to the person. His imprint, marked on the object through his work, serves to personalize a gift to the larger

⁸² Ibid.

⁸³ *Laborem Exercens* 14; see the whole of 12–15. See also, Pius XI, *Quadragesimo anno* 52, in which he adds to labor, “occupancy of a thing not owned by any one.” This seems to fit within Bonaventure’s first form of ownership and is explicitly stated by Scotus in *Ordinatio* IV, dist. 15, q. 2, a. 2.

⁸⁴ Ibid., *initial blessing*

⁸⁵ *Laborem exercens* 14

community. He must still hold to the object in accordance with the nature of the gratuitous gift he originally and perpetually receives from God—and to treat others, as well, as such gratuitous gifts. The ownership is a claim on the property, but a claim that is still to serve the common good.

Those familiar with the Franciscan tradition will recall their division between use and ownership—a division held by Bonaventure himself. At first hearing, this may seem to be in tension with the later magisterial pronouncements, but in fact Bonaventure only brings more nuance to the discussion.⁸⁶ He classifies both ownership (*dominium*) and use (*usum*) as features within the general category: “possession of temporal goods.”⁸⁷ He states, “there is a fourfold common possession of temporal goods, flowing from a fourfold right (*ius*).”⁸⁸ These four forms of ownership flow from a natural right, a right of fraternal charity, a right from civil law, and a divine right. The first category arises from a natural right for a person to sustain his life. This is “a form of common possession” that arises based upon who needs use of it at the time. Even if a good is juridically owned by another, the one in need holds a natural ownership against him. The second form of ownership comes by way of “a certain communion of love,” that communion being the Catholic Church. According to Bonaventure, a certain “common possession” of the entire cosmos (beyond the universal destination of earthly goods) is particularly granted to all who are within the universal Church.⁸⁹ These first two forms of possession cannot be

⁸⁶ There may be a similar concern from Thomists, for Aquinas does not follow in grounding the right of private property to a particular piece of property in any act of the individual. As Mary Hirschfeld has noted, Aquinas even believed that “there is no reason why a given piece of land ‘should belong to one man more than another’” *Aquinas and the Market* (Cambridge, MA: Harvard University Press, 2018), 168, citing STh., II-II q.57 a.3

⁸⁷ Bon., *AP*, VII.3 *Cum autem circa temporalium bonorum possessionem duo considerare contingat, dominium videlicet et usum*. Scotus, for his part, sees a development of legal ownership (*dominium*) deriving from use, as did Oresme after him. See again *Ordinatio* IV, dist. 15, q. 2, a. 2. c. 1.

⁸⁸ Bon., *AP*, X.13

⁸⁹ Bon., *AP*, X.14

renounced and ought not be renounced, respectively. But those seeking evangelical perfection must renounce the third type, “for it implies personal property that flows from a humanly established right and carries with it some consequences that may occasionally become obstacles to good and enticements to evil, and are, therefore, opposed to evangelical perfection.”⁹⁰ This form of ownership, he says, is limited by the reaches of the polity—whether that be an empire, kingdom, or town. This, out of the three thus far, is the only ownership that arises through agreement, and it is in this form of ownership that he naturally categorizes money. The fourth form of ownership, that of “ecclesiastical endowments,” is again a metaphysical (or what he calls a “spiritual”) form of ownership—but one that can be renounced. It is, again, a collective form of ownership, whereby the community in possession of the churches, their grounds, and all other assets, has the power (*habet actionem*) to direct the way in which the assets are utilized—but most formally by the bishop, who is atop the hierarchy.⁹¹

For Bonaventure, ownership is not a problem—three of the four forms of ownership are based upon three forms of justice that God himself ordained. It is the third form that poses a problem. Ownership deriving from the right of the civil law is the only form that is not a collective form of ownership; it is the only form of ownership that is not metaphysically grounded; and it is the only form of ownership that “the adversary of the poor asserts.”⁹² This form of ownership, of course, does have an important place in a postlapsarian world. Pope Pius XI later clarifies this:

When the State brings private ownership into harmony with the needs of the common good, it does not commit a hostile act against private owners but rather does them a friendly service; for it thereby effectively prevents the private possession of goods, which the Author of nature in His most wise providence ordained for the support of human life, from causing intolerable

⁹⁰ Bon., *AP*, X.15

⁹¹ Bon., *AP*, X.16; this idea is authoritatively taught in CCC 952.

⁹² Bon., *AP*, X.17

evils and thus rushing to its own destruction; it does not destroy private possessions, but safeguards them.⁹³

Civil ownership operates in justice when it operates in accord with the other forms of possession. Predicaments arise when legal ownership does not reflect the metaphysical grounding of the common possession of goods; when such occurs, it acts as a pretense of ownership in conflict with “the very nature of these means and their possession” (*Laborem exercens* 65). How does money help to perpetuate this absolutized notion of ownership?

First, and more generally, personal properties become better demarcated with the introduction of a monetary tool precisely because exchanges become more ubiquitous. The common ownership model of the pre-monetary tribal societies give reference to this: once goods are not easily exchanged, they remain in common use. With money, the introduction of an individual’s claim becomes, pragmatically speaking, more feasible. While the Church has always been a fierce defender of property rights, its defense is always immediately nuanced. As Pope Leo XIII in *Rerum Novarum* wrote: “If the question be asked: How must one’s possessions be used?—the Church replies without hesitation in the words of the same holy Doctor [Aquinas]: ‘Man should not consider his material possessions as his own, but as common to all, so as to share them without hesitation when others are in need.’”⁹⁴ As discussed, with money, need becomes a very hard measure. The universality of money makes the transition between want and need all the more ambiguous, especially because when a thing is legally owned, there is a felt-sense of a right to spend a thing on oneself first. The legal ability to claim something as a

⁹³ *Quadragesimo anno* 49

⁹⁴ Leo XIII, *Rerum Novarum* 1891, 22; citing STh., II-II q.66 a.2 resp. This idea becomes heightened in the Catechism as it authoritatively sets John Chrysostom’s interpretation of giving to the poor as definitive act of justice: “When we attend to the needs of those in want, we give them what is theirs, not ours. More than performing works of mercy, we are paying a debt of justice.” CCC 2446.

good held only by, and thus also for, oneself, is the refusal to see oneself as part of the common good. Bonaventure, fittingly, makes the distinction between one living in the “modality of love” versus the “modality of possession.”⁹⁵ The two modalities are formally opposed to one another precisely because one is exclusivist and the other communal. The invention of money thus leads to a paradox: on the one hand, it was invented in order to circumvent the poor distribution and sharing of goods; on the other, it enables greed to percolate more frequently.

There is a second predicament arising from monetary ownership and that is, again, a metaphysical one. On numerous occasions, Aquinas cites Aristotle who said, “We give the name of money to anything that can be valued in currency.”⁹⁶ It may seem contradictory, tautological, and circular to say that money is what can be measured in currency, but the point is to suggest that whatever is bought and sold is to treat something as a medium of exchange and no longer for use. For example, as soon as I no longer treat my house as a place to raise, guard, and nurture my family but rather as a means of procuring more money through investment and sale is the moment that I am no longer using the home in accordance with its physical nature. All things can become the entrance into a new monetary reality.⁹⁷ Aquinas again cites Augustine who states, “everything whatsoever man has on earth, and whatsoever he owns, goes by the name of ‘money’ (*pecunia*).”⁹⁸ Money, for Augustine, is the archetype of legal property as it has

⁹⁵ Bon., *AP*, VII.30

⁹⁶ STh., II-II q.117 a.2 ad 2; see also II-II q.77 a.2. resp; II-II q.99 a.2sc; II-II q.100 a.5.

⁹⁷ Aquinas noted this in the 13th century, “As Augustine says... ‘everything whatsoever man has on earth, and whatsoever he owns, goes by the name of “pecunia” [money], because in olden times men’s possessions consisted entirely of ‘pecora’ [flocks].” He here cites Augustine of the 4th century AD and Aristotle of the 4th century BC, which itself suggests the universality of this concept. Because all natural goods can be measured in terms of need, Aquinas, like Aristotle, specifies that money as an exchangeable good stands in for nearly everything.

⁹⁸ STh., II-II q.117 a.2 ad 2; He attributes this to *De Disciplina Christi (Tract. de divers, i)*.

no intrinsic relationship to the order of the cosmos and thus has no intrinsic “justice” called for by its nature.

We can consider a conception of reality under the guise of absolute money exchange. Rendering all things into the same ontological category of quantity, as one does when using money, creates a phenomenologically univocal conception of the world. This conception inherently loses the dynamism of creation as well as the particular teleology of various goods. In a certain regard, it opens the door to the Baconian notion of a manipulatable—or, here, exchangeable—world. To supply a univocal conception of being ultimately proves ridiculous next to one’s ability to procure certain objects. If the reason to consider the world as quantitative is to render it procurable and exchangeable, this enterprise becomes clearly impossible when considering certain parts of reality—such as asteroids in outer space. It seems like folly to claim that one has bought an asteroid. The modern concept of absolute private property becomes challenged as ownership does not accompany dominion, control, or use of what is owned. The concept of owning an asteroid is itself a legal fiction or, to be specific, it is to convince people to believe a certain idea. The potency of the ownership can never be actualized.

The example of the asteroid may seem outlandish, but this is the very concept embedded in Non-Fungible Tokens, or NFTs. NFTs are digital files that have a unique storage identity verified on a blockchain—and thus they can function as general assets. But just because their online storage is unique does not mean that the image of the file is not readily available to whomever has access to the internet. An NFT of Twitter founder Jack Dorsey’s first tweet famously sold for \$2.9 million—and yet anyone who has Twitter, a free platform, or Google Images, also free, can look at it, take a screen shot of

it, and have it for his or herself through a different storage means. The third quarter of 2021 saw \$10.7 billion of NFTs sold.⁹⁹

The Foundation of an Idolatry of Money

The twentieth century Jewish personalist Martin Buber was captivated by this discordant philosophy—the imposition of an idea upon reality, and the resulting reforming of people’s behavior. In his *I and Thou*, Buber considers the question within his analysis of man’s worship, considering whether man’s relationship to idols “is of the same nature as his relationship to God and only differs in its object.” In his profound analysis of the question, he comes to the worship of money, stating that there can be no relationship with it as there can be God, as money is not personal. “Can the servant of Mammon say *Thou* to his money?” It is not merely that money is not a personal object but that it is not an essential or even a physical object. As Martin Buber remarked, “[money] is un-being incarnate.”¹⁰⁰

Within the Catholic tradition, this is an interesting claim, not only because of the theologically loaded term, “incarnate.” The idea of conceptualizing un-being is not only a pretense, but something that tends toward a more sinister end. In his *Contra gentes*, the Church father Athanasius discusses knowledge of God and the aberrant disposition of avoiding him. He states that the movement away from God began with the imagination of man conceiving of the world in his own image. Insofar as humanity falsely imagined creation, “they fashioned for themselves the notion of idols, considering non-existent

⁹⁹ It does not seem likely that NFTs could ever have arisen within an economy of sound money for multiple reasons—not least being Oresme’s that vice would not have been given adequate space to grow and mature. But more to the point, the reason why speculation has risen to the degree that it has in the current market is precisely because the devaluation of the currency orients people toward finding better stores of value, as well as acting upon the ability to buy low only to sell high later with no value-add.

¹⁰⁰ Buber, *I and Thou*, 155.

things as real” (τὰ οὐκ ὄντα ὡς ὄντα λογιζόμενοι).¹⁰¹ Athanasius’ definition of idol is Buber’s very definition of money—a conception of un-being as being. Now, it should be said that any form of abstract thinking seems to fit a piece of that definition, which cannot be correct. The predicament that Athanasius specifies is precisely when the abstraction is, as Buber put it, “incarnate” and perceived as real: “Reflecting on unreality, the soul alters its own abilities, abusing them for the desires it has thought up, since it had been created with free will.”¹⁰² Applying this to money, we find that the monetary technique, the quantification that is inherent to its *raison d’être*, ushers one into theoretical thinking that takes real natures and conjures a faulty abstraction of them. But money, through its hypostatic union—its tie between the abstract and the real—incarnates this abstracted order of the world and orients people toward thinking of the monetary reality as a stable part of the cosmic order. What the universality of money ultimately undermines is the gift economy that is original to the created order of the world. Thus we get a glimpse of what Aquinas meant that money hinders charity through distracting the mind.

¹⁰¹ Athanasius, *Contra Gentes* trans. Robert W. Thompson (Oxford: Oxford University Press, 1971), 1.3–5. ἄνθρωποι δὲ ταύτην ὑστερον ἐπινοῖν ἤρξαντο, καὶ καθ’ ἑαυτῶν ἀνατυποῦσθαι. ὁθεν δὴ καὶ τὴν τῶν εἰδώλων ἐπινοίαν ἑαυτοῖς ἀνεπλάσαντο, τὰ οὐκ ὄντα ὡς ὄντα λογιζόμενοι. Augustine similarly says, “If the will followed nature, it would preserve, and would not harm nature, and so would not be perverted. Hence, we conclude, the root of all evil is not according to nature, and this is sufficient answer to those who would accuse nature.” Aug., *Lib. Arb.* 3.17.48

¹⁰² Athanasius, *Contra Gentes*, 4.10–12: ἀλλὰ τὰ μὴ ὄντα λογιζομένη, τὸ ἑαυτῆς δυνατὸν μεταποιεῖ, καταχρωμέν τούτῳ εἰς ἃς ἐπενόησεν ἐπιθυμίας, ἐπεὶ καὶ αὐτεξούσιος γέγονε.

Chapter 5

The Redemption of Money

Our metaphysical evaluation of money in Chapters 3 & 4 argued that money's design is inherently flawed and misleading—justifying Aquinas' claim that money's "nature hinders the perfection of charity, especially by enticing and distracting the mind."¹ But one would be right, it seems, to respond in at least two ways.

The first is the mere fact that money, in itself, is not bad; how it is used renders the artifact a participant in a good or bad end, as certain primary doctors of the Church have attested.² One of the main problems is man's lack of vigilance whilst using it. Economic sins often arise when one behaves as if money is a reified part of the cosmic order. The traditional condemnation of debasement, of speculation, and of usury all circulate around the problem of treating money as an ontological staple of reality rather than as an artificial one used for distributing natural goods. But treating money as what it actually is—as a medium of exchange and measure of value—allows for an abundance of good.

The second response to this conclusion would state that money has built up a society of advanced technology, of enhanced healthcare ability, and of greater general

¹ STh., II-II q. 186 a. 3 ad 4

² Bon., *AP*, XI.15 explicitly states that Saint Francis did not forbid the use of money in his rule because, "money is evil or that wealth is formally or causally culpable or that money could be owned or touched without sin." Augustine, for his part, preached in *Serm.* 311.9:

The one scripture praised is the *one who was able to transgress and did not transgress; who did not go after gold* (Sir 3 1 : 1 0.8). Gold ought to go after you, not you after gold. Because gold is good; I mean, God did not create anything bad. Don't you be bad, and gold is good. Look here, I'm placing some gold between a good person and a bad one. Let the bad person take it; the needy are oppressed, judges bribed, the laws twisted, human affairs turned upside down. Why is this? Because a bad person has taken the gold. Let the good person take it; the poor are fed, the naked clothed, the oppressed delivered, captives redeemed. How much good effected by gold in the hands of a good man! How much evil effected by gold in the hands of a bad person! So why say, when you're feeling disillusioned sometimes, 'Oh, if only there were no such thing as gold!' You just see to it that you don't love gold. If you are bad, you go after gold; if you're good, it goes after you. What does that mean, it goes after you? You lead, you aren't led; because you possess it, you are not possessed by it.

Neither, certainly, is a glowing review of money—and Augustine, in this sermon, certainly does not discuss money's nature, as is our focus. But he does attest to the Catholic method of evaluating a thing based upon its human use.

comforts, luxuries, and education. The argument seems to suggest that, despite money's design problems, the material enhancements that its use offers to society outweigh the predicaments. The inclination toward preserving some of the societal benefits produced with money are not obviously wrong. In fact, by the thirteenth century, most scholastics would agree that society ought not rid itself of money—and the Fraticelli or the Spiritual Franciscans who disagreed were themselves condemned.³ However, we cannot justify the existence of money by a simple cost-benefit analysis—that the goods we created through money counteract the alienation we suffer from it. I want to suggest that there are certain ways in which we can speak about money's redemption that do not rely upon consequentialist claims. To do this, I will offer the prescriptions from a miscellany of thirteenth century scholastics: Thomas Aquinas (d. 1274), Henry of Ghent (d. 1293), Peter John Olivi (d. 1298), and John Duns Scotus (d. 1308), with the one exception of Antonino of Florence (d. 1459).⁴ The following is an attempt to understand how one may adhere to Christ's command, "Now, let him who has a purse take it," (Lk 22:36).

Money and Law

In his *Nicomachean Ethics*, Aristotle writes:

It is reasonable to measure all things by one norm, as has been pointed out previously. This norm in reality is demand which connects all things. If men were not in need there would be no exchange, or if they did not have a similar demand, exchange would not be the same. Money originated by agreement on account of necessary exchange. Hence money (*nomisma*) has the name because it is a norm not by nature but by law (*nomos*). We have the power to change money and to make it useless.⁵

³ For more on the Fraticelli, see David Burr's *The Spiritual Franciscans* (University Park, Pennsylvania: Pennsylvania State University Press, 2001).

⁴ While there is merit in considering the medieval lawyers, their efforts primarily dealt with creating a workable system of sales and price in accordance with the universal philosophy of justice that the theologians formulated. As Baldwin has said, "Although the efforts of the medieval legists were prodigious, probably never did they surpass the accomplishments of their intellectual colleagues, the theologians," "Medieval Theories of Just Price", 58. Thus, in this chapter, I focus on the theologians.

⁵ Aristotle, *EN* 5.5 1133a.27–31

Aristotle suggests that the etymological connection in Greek between money, *nomisma*, and law, *nomos*, is not accidental. As discussed in Chapter 1, *nomos* and *nomisma* indeed do derive from the same root of *nomizein*, meaning to sanction or acknowledge something. Stefan Eich discusses the early uses of the term:

The earliest surviving occurrences of *nomisma* come from the fifth century BCE and they attribute such acts of collective confidence to divine inspiration: “truly she [Athena] was bringing together a scattered army, inspiring them with *nomisma*.” Linking *nomisma* to the Greek practice of shrieking during battle and sacrifice (*ololugē*), Aeschylus similarly refers to a certain “Hellenic *nomisma* of sacrificial cry, giving confidence to friends, dissolving the terror of battle.” Such ritualistic, onomatopoetic ululations are widely attested in numerous plays and almost always uttered by women. They can be cries of joy but, as Herodotus observes, ululation is usually associated with acts of sacrifice, often accompanying the very instant the animal’s throat was cut.⁶

Richard Seaford summarizes the connection stating that *nomisma* refers to collective confidence in the divine that is based on custom.⁷ Such a “customary collective practice (*nomisma*), whether in sacrifice, battle, or coinage, depends on and objectifies the collective confidence of the community, for whom it introduces order into potential chaos.”⁸ As a result, a host of communal customs could be categorized as *nomisma*, such as money, law, sacrifice, and even military order. Fittingly, “the way the Athenians used *chrēmata* [money]” Sitta von Reden argues, “was strictly parallel to the way they used the laws.”⁹

Both money and law are based in customs, social artifacts of particular communities, to direct and enhance the social order. This is a point that Oresme takes for

⁶ Stefan Eich, “Between Justice and Accumulation” in *Political Theory* 47 (2018): 363–390, 368.

⁷ Seaford, *Early Greek Mind*, 143.

⁸ *Ibid.*

⁹ Sitta von Reden, *Exchange in Ancient Greece* (London: Duckworth, 1995), 128. While there are important differences between *chrēmata* and *nomisma*, the use of them as customary, which is von Reden’s point, is what is essential for our purposes.

granted in his *De moneta*, in which he merely assumes that money operates as a law, stating that the value of money must be considered as a law.¹⁰

Money and law certainly have unrelated characteristics. Human law and money may both be traditionally called “measures,” but they are measures of different phenomena. Law is a measure of external human action while money is a measure of human need. The former does not attempt to reveal the internal convictions of a person while the latter exposes some of the internal desires of a man.¹¹ And yet it seems clear that money, like law, is a custom that is based upon directing a person to commutative justice. In fact, law and money are the two examples of the customs that operate by commutative justice within the Aristotelian tradition. Consider Aquinas’ attempt to define this form of justice:

In commutative justice the equal is observed according to arithmetic proportion. This is clear from the fact that here the different relations of persons are not considered. It does not matter, insofar as commutative justice is concerned, whether a good man has stolen or robbed an evil man of his property or an evil man has done it to a good citizen. Likewise, it does not matter whether a good or evil man commits adultery. The law takes into account only the nature of the injury, so that the man who has done more damage, whatever his condition, must make more restitution.¹²

Aristotle and Aquinas have stated that the monetary transactions are properly categorized under commutative justice as well; indeed, Aquinas even states that it was for the sake of

¹⁰ See Chapter VIII, “De mutacionibus monetarum in generali”. *Nunc autem ita est, quod cursus et precium monetarum in regno debet esse quasi quedam lex.*

¹¹ Plato may push the differences a step further. Law according to Aquinas, as we will see below, corresponds to the intellectual soul—the reasoning part of the soul—and the appetitive soul—the part that loves honor. But when attempting to name the lowest part of the soul, Socrates in the *Republic*, struggles to find a label:

As for the third, because of its many forms, we had no peculiar name to call it by, but we named it by what was biggest and strongest in it. For we called it the desiring part on account of the intensity of the desires, concerned with eating, drinking, sex, and all their followers; and so, we also called it the money-loving part (*philoxrēmaton*), because such desires are most fulfilled by means of money, (Pl. *Rep.* IX, 580e–581a).

D.C. Schindler has said of the lowest part of the soul, as opposed to the other two, “It is not the object that stands out most, but the soul’s own desirous relation to it.... Money, too, is not the object itself, but the means of attaining the object; it represents, in other words, a way of relating to actual objects of desire” (D.C. Schindler, “Why Socrates Didn’t Charge” in *Communio* 36.3 (2010): 394–426, 400). While this categorization of money is illuminating, it says more about the third part of the soul than it does about money.

¹² Aquinas, *Commentary on the Nicomachean Ethics*, V.6.951

commutations that money was invented—*ad quod inventa sunt numismata: et sic contrapassum est commutativum justum*.¹³ Within commutative exchanges, the people trading are not considered, but the objects being traded. Hence Aquinas says, “In regard to commutative justice there should always be an equality of thing to thing”—notably not person to person.¹⁴ As he summarizes elsewhere, in commutative justice, the persons are ignored at the expense of “all being equal under the law.”¹⁵ Despite this tension within commutative justice, law does have a genuine and profound goodness and use within the Catholic tradition.¹⁶ To understand how money may share in this redemption, let us first consider law with more care.¹⁷

Aquinas states that “law is a rule and a measure of acts, whereby man is induced to act or is restrained from acting.”¹⁸ The law is a command to act in a particular manner, as well as an evaluation of one’s actions. The most fundamental of all laws is Divine Reason, as Aquinas says.¹⁹ It is a fundamental reality of God himself, which is mirrored in creation. This idea was articulated even more clearly by John Duns Scotus:

¹³ STh., II-II q.61 a.4 resp.

¹⁴ *On the Nicomachean Ethics*, V.8, §972. He repeats and confirms this idea in STh., II-II q. 62 a. 1 ad 3.

¹⁵ *Ibid.*, V.8.969.

¹⁶ There is much research required for a better understanding of commutative justice. While Aquinas, for his part, is clear in his *Summa* that commutative justice measures an arithmetic form of equivalence (STh., I q. 21 a. 1 resp & STh II-II q. 61 a. 2 resp), and thus focuses on a part’s relationship to part, there seems to be a major tension in this notion—precisely because these sorts of equivalences never occur in a vacuum. Eleonore Stump, “Aquinas on Justice” in *Proceedings of the American Catholic Philosophical Association* 71 (1997): 61–78 recognizes this same tension. She notes a number of occasions in which Aquinas’ principle of commutative justice is in tension with, or flatly contradicts, certain virtues (for example, almsgiving). Her solution to this problem is to supply the concept of distributive justice to demonstrate that there could be a true equivalence achieved. While this solves the tension between justice in general and equivalence, it does not solve the predicament of commutative justice in particular. In my estimation, the predicament seems to boil down to the idea that commutative justice depends upon distributive justice for genuine equivalence to be achieved. In every occasion there is a power differential that offers a more accurate equivalence of thing to thing. To put it another way, to truly understand a genuine equivalence of thing to thing, one must know the proportional need of the thing to the person. But, as noted, a sense of how commutative justice operates within distributive justice has not been clearly demarcated. What ought to be said is that Aquinas himself seems to move away from a purely Aristotelian concept of commutative justice by setting charity as the pinnacle of all virtues, thus implying a genuine hierarchical relationship between commutative justice and distributive justice.

¹⁷ For this introduction, we will consider only just laws. The subject of unjust legislation, while fundamentally important, is non-essential for our purposes.

¹⁸ STh., I-II q.90 a.1 resp.

¹⁹ STh., I-II q.91 a.1 resp.

The created intellect, which is a certain spiritual light derived from the uncreated light of the divine intellect, sees, upon apprehending the terms, the connection between them, which they have received from the first truth, and, by reason of its participated light, naturally understands that good is to be loved and evil fled from; for this is what right reason dictates by its natural virtue, and then positive laws make right reason more explicit, and prescribe these and those things to be done but forbid other things. For the divine intellect is the measure of the whole of nature, and nature is a certain making explicit of the divine art.²⁰

Within this statement there is a clear distinction between the eternal law, the natural law, and human law. The former is the divine life itself (what Scotus called the uncreated light of the divine intellect), which then, in the gift of creation, manifests its light upon the natural order of the world, which humanity then attempts to articulate. The difference between law as emanation of a divine essence and the articulation of a person's orientation to that preternatural order defines two different meanings behind the term "law". In the former case, law is an internal property, most properly of God; in the latter, it is an exterior measure, specifically of human action. Thus there is a radical distinction between the two.²¹

The goal of human law is to help conform people to the life of the Trinity—which pertains to virtue and the interior passions. The virtuous can use law to direct and rally the virtuous, but as a corrective measure, it lacks certain powers to achieve its end. Aquinas speaks to these intrinsic problems:

Human law is given to people among whom there are many lacking virtue, and it is not given to the virtuous alone. Hence human law was unable to forbid all that is contrary to virtue; and it suffices for it to prohibit whatever is destructive of human intercourse, while it treats other matters as though they were lawful, not by approving of them, but by not punishing them.²²

²⁰ *Ordinatio*, 1 d.3 q.4, d.43. For a parallel in Aquinas, see STh., I-II q. 91 a. 1

²¹ Consider Questions 90–97 in Aquinas's *Treatise on Law*. As a companion, see J. Budziszewski, *Commentary on Thomas Aquinas's Treatise on Law* (Cambridge: Cambridge University Press, 2014), 1–345.

²² STh., II-II q.77 a.1 ad 1: *lex humana populo datur, in quo sunt multi a virtute deficientes; non autem datur solum virtuosis; et ideo lex humana non potuit prohibere, quidquid est contra virtutem: sed ei sufficit ut prohibeat ea, quae destruunt hominum convictum; alia vero habeat quasi licita, non quia ea approbet, sed quia ea non punit.*

As a measure, human law begins to direct or, as a remedial tool, redirect unvirtuous people in how they live. But a rote following of the law is not grounds for salvation, according to the Catholic tradition; rather, it is virtue that is the hope for salvation. Thus the first problem of human law emerges: it suggests one standard of proper living that is insufficient for salvation. According to Aquinas, the “Divine law leaves nothing unpunished that is contrary to virtue.”²³ There is another standard other than human law by which actions, beginning with the movements of the will, are judged, and this is the measure that ultimately concerns humanity and its eternity.

The second predicament with human law is that it focuses on external behavior by inducing the threat of punishment.²⁴ If the motivation for following a dictate is for one’s self-preservation, to avoid a material evil, then his orientation is still toward the self instead of self-giving. Nothing changes internally, only externally. What results is that the one threatened becomes a slave to the other. Aquinas states:

A free man is one who exists for his own sake [*causa sui*], whereas a servant is one who exists for the sake of another [*causa alterius*], as moving by reason of another’s moving him; then, if a person acts for the sake of another [*causa alterius*] as though moved by him, the service is one of fear, which forces a man to act in opposition to his own will.²⁵

The free man is his own cause; the slave takes orders. The slave differs from the free man insofar as he acts opposed to his will. But this is a difficult statement and an important one, given that Aquinas’ definition of human law circulates around human action, which is based upon one’s will: “There must needs be something voluntary in human acts.”²⁶ Voluntary actions require, Aquinas specifies, a will as well as “an internal principle along with knowledge.”²⁷ That means that, to make a free choice, one must decide to act

²³ Ibid: *lex divina nihil impunitum relinquit, quod sit virtuti contrarium.*

²⁴ Cf. STh., I-II q.98 a.1 ad 3; STh., I-II q.106, a.3; *On Romans*, III.2.298, VIII.1.610–11; *On Hebrews*, 97;

²⁵ *On Romans*, I.1.21

²⁶ STh., I-II q.6 a.1 resp: *respondeo dicendum, quod oportet in actibus humanis voluntarium esse.*

²⁷ Ibid: *igitur sic agit, vel movetur a principio intrinseco, quod habet aliquam notitiam finis, habet in seipso principium sui actus, non solum ut agat, sed etiam ut agat propter finem.*

uninhibited and for a particular reason. But this does not necessarily mean that the slave acts unwillingly. Consider the following: if a soldier with a gun comes to a citizen's door and tells her to leave, she may weigh the benefits of staying in the home or leaving. If she walks out, she has not, strictly speaking, gone unwillingly. She may have a felt-sense of force and all being equal she would have remained inside, but given the situation she willingly walked out. No doubt she had a compromised will, but Aquinas specifies that she has willingly decided to walk outside, stating that someone being dragged out of her home is *the* prime example of an involuntary act.²⁸ So why was it that she still walked out willingly? Because the “intrinsic principle of the voluntary act, e.g., the cognitive and appetitive power, is the first principle in the genus of appetitive movement, although it is moved by an extrinsic principle according to other species of movement.”²⁹ The first intrinsic principle for the person at gunpoint, we can say, is self-preservation; the cognitive power is the intellectual comprehension that there is something threatening that. So, the same habits of her soul remain active. But this does not mean that the person is totally free because the internal principle is not the same as the soldier's. When Aquinas states above that the slave acts in opposition to his will, he is specifically referring to a compromised will—a will that acts out of self-preservation rather than in self-creativity.³⁰ In a genuine sense, the soldier himself is not being obeyed, as the woman's will is not in union with his: there is an external obedience that is not mirrored internally. She does not follow him qua his person. She is not convinced of his reasoning or virtue; she does not

²⁸ STh., I-II q.6 a.4 resp: *etiam potest homo per violentiam trahi: sed quod hoc sit ex ejus voluntate, repugnat rationi violentiae.*

²⁹ STh., I-II q.6 a.1 ad 1: *Sic igitur principium intrinsecum voluntarii actus, quod est vis cognoscitiva, et appetitiva, est primum principium in genere appetitivi motus, quamvis moveatur ab aliquo exteriori secundum alias species motus.* Because of these principles, legislation does not only need to be accompanied by preaching but by the aid of grace through the sacraments, according to Aquinas.

³⁰ In certain situations, there is a particular dignity in being able to preserve one's uninhibited will in the face of danger. The martyr is the one who maintains his unflinching will in this situation.

trust him. She is a slave to the soldier. The internal principles by which people act are essential. Rigid conformity motivated by fear produces automatons, not free people. This is a possible threat with human law: without a virtuous interpretation and implementation it operates through fear.³¹

Aquinas suggests there are four types of fear—each of which offer different spiritual aid or spiritual harm.³² The first is Worldly Fear, which fears the loss of material goods. This is condemned by Christ himself, so notes Aquinas: “Do not fear those who kill the body” (Mt. 10:28). The second is Servile Fear, which is what we consider above. It recoils from evils contrary to the created order—beating, bruising, or bullying, for example. But insofar as the person attempts to avoid evil, he is at fault for not seeking the good. Thus, says Aquinas, “Even if a person does something good under the influence of such fear, *he does not act well*, because he does not act spontaneously but compelled by fear of punishment—and this is characteristic of slaves.”³³ The third he calls Initial Fear by which one recoils from spiritual punishment because he fears Divine retribution. The fourth fear, which Aquinas calls Filial Fear, brings to light why the third is still problematic: “The fourth type of fear has its eye entirely on spiritual things, because it fears nothing except separation from God.”³⁴ Whereas Initial Fear recoils from punishment, Filial Fear flees separation from God. This separation is like that of a child who fears disappointing her father. Filial Fear is thus in actuality a positive quality. It is an utterly personal love that seeks union with God.

³¹ For a longer introduction to the problems of law in political philosophy, cf. Andrew Willard Jones, “End of Sovereignty” in *Communio* 45.3 (2018): 408–456, 433–442; “The Priority of Peace” in *Communio* 48.2 (2021): 307–354.

³² I find this discussion most succinctly and clearly in his *On Romans*, VIII, but the same outline can be found in STh., II-II q.19. For more on the Gift of Fear, see Andrew Pinsent, *Second-Person Perspective*, 50–52.

³³ Aquinas, *On Romans*, VIII.3.639

³⁴ *Ibid.*, VIII.3.641

Servile Fear orients people toward egocentric considerations as they seek their material safety or idolatrous goods over and above God Himself. Yet Aquinas specifies that the “Old Law was given in fear”; in fact, it “induced men to obey God’s commandments by inflicting punishments, [and] was given in a spirit of slavery.”³⁵ He continues “in the New Law you did not receive the spirit of slavery to fall back into fear, namely, of punishments; but you have received the Spirit of sonship, by which we are adopted as children of God.”³⁶ The goal of the Old Law was never intended to keep people in servility, but rather to serve as a pedagogical tool toward an internal movement to God.³⁷ For Aquinas, the teachings and the sacraments of the New Testament ultimately complete and enable that movement away from servility and toward freedom. But what is particularly important for our purposes is the fact that God chose to begin humanity’s redemption with a fear-based law. The movement out of slavery, under Pharaoh and under sin, began with a true law that directs beyond itself. This movement was not a singular occurrence in salvation history; it occurs in everyone’s life. That is why in the Catholic tradition it remains as pedagogue to virtue as canon law.³⁸

As human law is to direct one’s actions toward the eternal law, there is necessarily a movement from the external to the internal. As Aquinas succinctly summarizes elsewhere, “The end of all legislation is that man love God.”³⁹ The movement from law into grace is another such way that this concept is commonly referred to within the

³⁵ Ibid., VIII.3.642

³⁶ Aquinas, *On Romans*, VIII.3.643. Hence Christ’s statement “I no longer call you servants but friends” John 15:15. Here Aquinas cites Romans 8:15.

³⁷ As a most grievous blemish in Church history, we find each of its eras replete with anti-semitic figures, characters, and statements—most often in the context of money and finance. Here I do not believe that Aquinas falls into that conversation; rather, he is strictly sticking to biblical theology.

³⁸ Because it is not a declaration of truth but a pedagogue to it, canon law is constantly changing and being updated unlike ecumenical statements and magisterial pronouncements on faith and morals.

³⁹ SCG 3.116: *Hic igitur est finis totius legislationis, ut homo Deum amet*. Similar statements are found in this section: *Finis cuiuslibet legis, et praecipue divinae, est homines facere bonos*; and, *finis legis divinae est dilectio Dei*.

Catholic tradition.⁴⁰ Thus the question remains: How is the transition from the external ordering of a society to the internal compulsion of people developed?

The first thing that Aquinas states is that the reasoning for each law must be explained: “Now this kind of training, which compels through fear of punishment, is the discipline of laws. Therefore in order that man might have peace and virtue, it was necessary for laws to be framed.”⁴¹ Proper justification for the measures and regulations of actions are necessary to create a virtuous society. Explaining the laws is not only necessary for the child growing up in the community, but also for the criminal who has not habituated himself to thinking well:

Since some are found to be depraved, and prone to vice, and not easily amenable to words, it was necessary for such to be restrained from evil by force and fear, in order that, at least, they might desist from evil-doing, and leave others in peace, and that they themselves, by being habituated in this way, might be brought to do willingly what hitherto they did from fear, and thus become virtuous.⁴²

“Willingly” is no light addendum. The convict, in this case, cannot merely have his will broken by fear in order to leave others in peace; he must be redeemed in virtue. After all, as Aquinas says, “the end of politics is to live according to virtue”—and this applies even for the criminal.⁴³ He must not be suppressed; he must be enlivened. From this consideration it is clear that the application of the law is of paramount importance; who

⁴⁰ Needless to say, this understanding breaks all barriers between religion and politics, the private faith of an individual and the public life of a community.

⁴¹ STh., I-II q.95 a.1 resp: *hujusmodi autem disciplina cogens metu poenae est disciplina legum; unde necessarium fuit ad pacem hominum, et virtutem, quod leges ponerentur.*

⁴² Ibid: *sed quia inveniuntur quidam protervi, et ad vitia proni, qui verbis de facili moveri non possunt, necessarium fuit quod per vim, vel metum cohiberentur a malo; ut saltem sic malefacere desistentes, et aliis quietam vitam redderent, et ipsi tandem per hujusmodi assuetudinem ad hoc perducerentur, quod voluntarie facerent, quae prius metu implebant, et sic fierent virtuosos.*

⁴³ Aquinas, *De regimine* I.15.6

applies the law so as to invite the other into the life of virtue must do so in a creative and prudential manner.⁴⁴

Once someone becomes virtuous, his relationship to the law changes.⁴⁵

A man is said to be subject to a law as the coerced is subject to the coercer. In this way the virtuous and righteous are not subject to the law, but only the wicked. Because coercion and violence are contrary to the will: but the will of the good is in harmony with the law.⁴⁶

The virtuous person follows the just laws in such a way that is in accord with freedom: he has understood for himself the principle for which the law exists.⁴⁷ Citing Romans 2, Aquinas adds, “The law is not made for the just men [for] they are a law to themselves.”⁴⁸ They have moved past the human law and into the divine law. “In so far as they are led by the law of the Holy Spirit, they are not subject to the law in those matters that are inconsistent with the guidance of the Holy Spirit.”⁴⁹ As a result of a larger swath of the population converting into virtue, the very institutions of society begin to change.

On the part of man, whose acts are regulated by law, the law can be rightly changed on account of the changed condition of man, to whom different things are expedient according to the difference of his condition. An example is proposed by Augustine (*De Lib. Arb.* i, 6): *If the people have a sense of moderation and responsibility, and are most careful guardians of the common weal, it is right to enact a law allowing such a people to choose their own*

⁴⁴ Aquinas suggests that the principle must be handed on to him from another person—ideally a father. A father’s admonition, for Aquinas, has the force of law. STh., I-II q.95 a.1 resp:

Now it is difficult to see how man could suffice for himself in the matter of this training: since the perfection of virtue consists chiefly in withdrawing man from undue pleasures, to which above all man is inclined, and especially the young, who are more capable of being trained. Consequently a man needs to receive this training from another, whereby to arrive at the perfection of virtue. And as to those young people who are inclined to acts of virtue, by their good natural disposition, or by custom, or rather by the gift of God, paternal training suffices, which is by admonitions.

In following this intellectual conviction, the medieval lawyers often called on the need of *boni viri*. For more on this, see Jones, *Before Church and State* and, as it pertained to economic matters, Baldwin, “Medieval Theories of Price”, 28–31.

⁴⁵ At STh., I-II q.95 a.1 resp. Aquinas not only uses the description of a father and son as an analogy for the government and its citizens, but actually suggests that the father’s word is a law unto the child. This is one simple example of the radical subsidiarity that defines Aquinas’ thought on law.

⁴⁶ STh., I-II q.96 a.5 resp: *quod aliquis simpliciter subjectus legi secundum aliqua legi non adstringitur, secundum quae regitur superiori lege. Alio vero modo dicitur aliquis subjectus legi, sicut coactum cogenti: et hoc modo homines virtuosos, et justos non subduntur legi.*

⁴⁷ As another consideration, the just person can follow a law not through a clear understanding of the principle behind it, but also as a matter of maintaining the peace through following custom.

⁴⁸ STh., I-II q.96 a.5 ad 1

⁴⁹ STh., I-II q.96 a.5 ad 2: *lex Spiritus Sancti est superior omni lege humanitus posita: et ideo viri spirituales secundum hoc quod lege Spiritus Sancti ducuntur, non subduntur legi quantum ad ea, quae repugnant ductioni Spiritus Sancti.*

*magistrates for the government of the commonwealth. But if, as time goes on, the same people become so corrupt as to sell their votes, and entrust the government to scoundrels and criminals; then the right of appointing their public officials is rightly forfeit to such a people, and the choice devolves to a few good men.*⁵⁰

Knowledge of his changing condition, again, requires a personal character, by which this condition could be rightly ascertained. Notice that Augustine equates an increase in virtue with a mandate to legislate less—“such a people choose their own magistrates.” The further into virtue, the further into freedom. Such an understanding of this movement helps to make sense of Paul’s statement: “It is for freedom that Christ has set us free” (Gal. 5:1).

The law cannot be a juggernaut in society, or a bureaucratic stronghold that applies to each in the same way.⁵¹ Distributive justice must break through into the order that commutative justice has offered the society. Aquinas again states that, “He who is placed over a community is empowered to dispense with a human law that rests upon his authority, so that, when the law fails in its application to persons or circumstances, he may allow the precept of the law not to be observed.”⁵² All human law is potentially dispensable. As we saw, Oresme contends that politics ought to occur at the level most able to determine the particular case and grant the particular dispensation.⁵³

⁵⁰ STh., I-II q.97 a.1 resp: *ex parte vero hominum, quorum actus lege regulantur, lex recte mutari potest propter mutationem conditionum hominum, quibus secundum diversas eorum conditiones diversa expediunt: sicut Augustinus ponit exemplum in 1. de Lib. Arbitr. (cap. 6. a princ.), quod si populus sit bene moderatus, et gravis, communisque utilitatis diligentissimus custos, recte lex fertur, qua tali populo liceat creare sibi magistrates, per quos respublica administretur. Porro si paulatim idem populus depravatus habeat venale suffragium, et regimen flagitiosis, sceleratisque committat, recte adimitur populo talis potestas dandi honores, et ad paucorum bonorum redit arbitrium.*

⁵¹ This point has been heavily championed and often reiterated by the popes of the twentieth and into the twenty-first century. For instance, see Paul VI, *Octogesima adveniens* 37; John Paul II, *Centesimus annus*, 25, 48; *Sollicitudo rei socialis*, 15, 22; Benedict XVI, *Deus caritas est*, 28; *Caritas in veritate*, 47, 60.

⁵² STh., I-II q.97 a.4 resp: *qui habet regere multitudinem, habet potestatem dispensandi in lege humana, quae suae auctoritati innititur ut scilicet in personis, vel in casibus, in quibus lex deficit, licentiam tribuat ut praeceptum legis non servetur.*

⁵³ But this does not imply that political theorists such as Thomas Hobbes and Carl Schmitt are correct in saying, “the sovereign is he who decides the exception.” In reality, sovereignty flows the other way: the particular person decides the exception *de facto*, the political power recognizes it and is judged by God for how he responds: faithfully or unfaithfully. Ultimately it is his to discern whether or not the person acted contrary to the law in virtue or in vice—or does the individual need the remedial fear of the law or freedom from it to help him on the path to heaven.

In Catholic theology, human law serves as a tool—a tool to be fulfilled in the freedom of love. I suggest the same is true for money. Money and law measure and relate to persons in different manners, but both help people provide necessities and goods to one another by means of commutations that otherwise would not be possible amidst an imperfect community. How money is fulfilled in freedom is the next question to be answered—one I will attempt to answer as guided by a miscellany of scholastics.

Money's Movement from Law to Grace

As we have seen, Aquinas provides a host of philosophical axioms by which we can condemn the design of money. Thus when it comes to the use of money in trade he says: “Business (*negotiatio*), considered in and of itself (*secundum se*), has a certain debasement attaching thereto, in so far as, by its very nature, it does not imply a virtuous or necessary end.” “Nevertheless,” he continues: “Gain (*lucrum*) which is the end of trading, though not implying, by its nature, anything virtuous or necessary, does not, in itself, connote anything sinful or contrary to virtue: wherefore nothing prevents gain from being directed to some necessary or even virtuous end, and thus trading becomes lawful.”⁵⁴ Aquinas evaluates each term on its own. According to its nature trading or business, *negotiatio*, does not imply anything virtuous. But he contrasts the act of trading, which is dubious, with the end of trading: gain, *lucrum*. Gain, however, is not per se bad. The end of a gift is gain. God’s gift of creation, with the gift of atonement, and with the gift of the Church provides humanity with an abundance of gain. And as the end of an

⁵⁴ STh., II-II q.77 a.4 resp. *lucrum tamen, quod est negotiationis finis, etsi in sui ratione non importet aliquid honestum, vel necessarium, nihil tamen importat in sui ratione vitiosum, vel virtuti contrarium; unde nihil prohibet, lucrum ordinari ad aliquem finem necessarium, vel etiam honestum: et sic negotiatio licita reddetur.*

action is the ultimate evaluation of it, trading can be oriented to the good. If it is, then trade becomes *lawful*.

Commenting further on this idea is Antonino of Florence, a 15th century Dominican, later canonized:

Business [*negotium*] should be ordered to any honest and necessary purpose and is so rendered lawful, as for example, when a business man orders his moderate gain which he seeks to the end that he and his family may be decently provided for according to their condition, and that he may also assist the poor. Nor is condemnation possible when he undertakes a business as a public service lest necessary things be wanting to the community, and seeks gain therefrom, not as an end, but in remuneration for his labor observing all other due considerations which we mention.⁵⁵

Antonino does not condemn buying and selling, only certain dispositions and forms of it. A profitable trading business is only praiseworthy insofar as the intention of the worker is to provide for himself, his family, the poor, and to do so by delivering necessary goods to people. Like all work, business must be undertaken for the common good, for love of neighbor. Like Aquinas, Antonino holds that trading can be attuned to a lawful activity if animated by virtuous intent. It is ultimately this intentionality in business that begins to shape a proper use of money. Peter John Olivi, the second most influential scholastic on the subject of trade behind Thomas Aquinas, summarized these sentiments regarding buying and selling: “One must attend principally to two things: namely, the inner disposition and the extrinsic matter, that is the matter of the contract itself.”⁵⁶ Pope John Paul II, bringing these scholastic considerations to magisterial teaching, states in *Centesimus annus*, “the decision to invest in one place rather than another, in one

⁵⁵ Sancti Antonini, Archiepiscopi Florentini, O.P., *Summa Theologica*, Verona, 1740 vol. 4, Pars 2a, Tit. Ius, c. 16, n. 2, col. 250. Cited in Raymond de Roover, *San Bernardino of Siena and Sant’Antonino of Florence* (Cambridge, MA: Harvard University Press, 1967), 14.

⁵⁶ *Treatise on Contracts*, I.5.59. Langholm states “Next to Thomas Aquinas, no medieval author influenced the ideas of trade and price in the later Italian penitential tradition more markedly than Peter Olivi, transmitted by Bernardino,” *The Merchant in the Confessional* (Leiden: Brill, 2003), 120. Le Goff is not in agreement but has a very tenuous claim to stand on next to the dominant study of Langholm; see *Money and the Middle Ages*, 129.

productive sector rather than another, is always a moral and cultural choice.”⁵⁷ Like Aquinas before him, the pope specifies that particular investments cannot be neutral. Investments are *cultural* acts because they physically change the order of society for better or worse; they either build the City of God or the City of Man. They are *moral* acts because what one invests in reveals which city his soul longs for.

While investment generally is acceptable as a technique, there are certain external matters in trade that are inherently bad, so says the tradition. Examples include receiving profit on a loan from one in need, selling a faulty object without the buyer knowing, price gouging, or speculation. But there are other matters that are more dubious. For example, charging interest on any loan at all. Lateran V specified that there are certain occasions when such a thing would be permitted. Speaking of the *montes pietatis*—Renaissance credit organizations originally founded by the Franciscan Michele Carcano—the council fathers permitted it to charge a small amount, granted that, “The expenses of those employed and of all the things necessarily pertaining to the upkeep of the said organisations... may lawfully ask and receive, in addition to the capital, a moderate and necessary sum from those deriving benefit from the loan, provided that no profit is made therefrom.”⁵⁸ The council specifies one other criterion must also be present: “the love of piety..., which wishes to aid the poor.”⁵⁹ Thus if the loan was offered out of charity and received back without a profit, then it was proclaimed licit. If either criterion went unfilled—the inner disposition or the extrinsic matter—the act was condemned. The

⁵⁷ *Centesimus annus*, 36.

⁵⁸ Lateran V, Session 10, promulgated 4 May 1515. This same conclusion is emphatically repeated twice in the section.

⁵⁹ *Ibid.*

council demonstrated the importance of the proper marriage between right action and right disposition.⁶⁰

Financial techniques such as the charging of interest are, perhaps, expanding beyond the immediate purpose of an analysis of money and its basic use—yet it is in the same category as buying and selling are: the external exchange and the internal disposition need to be right in order to be good. Finding the just price for an object is a delicate matter, but it is a baseline for all other monetary uses. Aquinas states that “the just price of things is not fixed with mathematical precision, but depends on a kind of estimate, so that a slight addition or subtraction would not seem to destroy the equality of justice.”⁶¹ We have already considered why this is; as the price mechanism is inherently distanced from reality there can be no real equality. Olivi, admitting to and readily affirming Aquinas’ point, nuances the idea, “Even though our estimation in setting the price or the value of things is not at an exact point, nevertheless it can and ought to be measured within fitting limits, otherwise it would exceed a fitting and probable measure as well as the rule of reason.”⁶² While Olivi argued that measuring monetary value purely based on need was not only impossible, as we saw in Chapter 3, he suggests that Aristotle was wrong to offer need in the first place. Doubtless, need plays a role, but so do seven other factors, he says. These include durability of the good, its beauty, whether it is a

⁶⁰ The council fathers, at the same session, admitted that this was a tawdry technique and ought to be replaced by alms:

It would be much more perfect and more holy if such credit organisations were completely gratuitous: that is, if those establishing them provided definite sums with which would be paid, if not the total expenses, then at least half the wages of those employed by the organisations, with the result that the debt of the poor would be lightened thereby. We therefore decree that Christ’s faithful ought to be prompted, by a grant of substantial indulgences, to give aid to the poor by providing the sums of which we have spoken, in order to meet the costs of the organisations.

⁶¹ STh., II-II q.77 a.1 ad 1: *justum pretium rerum non est punctualiter determinatum, sed magis in quadam aestimatione consistit; ita quod modica additio, vel minutio non videtur tollere aequalitatem justitiae.*

⁶² *Treatise on Contracts*, I.1.18. See Scotus, *Sextus Decretalium*, lib. III, tit. 20, c. 2 for the same argument: “[the exchange] becomes just in any degree between a range of extremes.” *In quocumque gradu citra extrema fiat, iuste fit.*

composite good (such as wine) or merely a part (such as water), relative level of scarcity, the industry that went into creating the product, as well as the rank and order of the person making the sale.⁶³ Bernadine of Siena later summarized these determinants as *virtuositas*, *raritas*, and *complacibilitas*.⁶⁴

Whether or not this is an exhaustive list is not a significant concern for our investigation.⁶⁵ What is more important are his moral commendations. “The price of goods and services must be set with respect to the order of the common good.”⁶⁶ While much could be said about the common good, it is sufficient to say here that the common good is causally related to every member of society insofar as it marks his ability to lead a virtuous life. When setting a price and determining a thing’s worth according to the standard metric of a community, it is the attainment of the good for both parties that must be foremost. No doubt Olivi is criticizing price gouging—artificially raising the price of a good when someone is in greater need of it—but so is the disposition that dismisses the specific person on the other side of the exchange. Personal need or even personal agreement cannot be the standard measure not only because it ultimately makes little sense, but because we need a better standard to cultivate true humanity, says Olivi: “In civil and human contracts the ultimate measure is the common good of all.”⁶⁷ After all, money only emerges from a specific community for the good of that community. This is essential: if money only has efficacy within a certain community that interprets the

⁶³ Ibid., I.2.28–30. Dempsey argues that these three principles become standard in high medieval economic thought through Olivi: Dempsey, “Just Price in a Functional Economy,” 485. Olivi repeats these same ideas in his contract on buying and selling; see Olivi, *De emptione. et venditione*, Question 1, ed. Spicciani, 255; ed. Todeschini, 52–53.

⁶⁴ Gerald Odonis, *Tractatus de contractibus* Siena.BCom U.V.8, 295va; found in Langholm, “‘Olivi to Hutcheson’: Tracing and Early Tradition in Value Theory” in *Journal of the History of Economic Thought* 31.2 (2009): 131–141, 132.

⁶⁵ For his part, Langholm states, “I cannot think of any thirteenth-century author who comes as close as Peter Olivi to suggesting an integral theory of value—or, in medieval terms, an integral doctrine of the just price.” “Olivi to Hutcheson”, 134.

⁶⁶ *Treatise on Contracts*, I.2.26

⁶⁷ *Treatise on Contracts*, I.2.24. This was confirmed in CCC 2434.

semiotics of the money-item the same way, then money should not be used to dissolve that community. Instead of allowing one to act with money in such a way as to dissolve the very society that is necessary for it to have power, one must focus on cultivating the community itself. This calculation of an abstract value from actual variables leads one to stay better grounded in reality but also to charitably consider one's neighbor. Within the semiotic arrangement that the community created, there must be due consideration of the more fundamental needs and realities within.

Langholm goes to lengths to discuss is the fact that the just price in the high medieval market was not a constant number. The high scholastics generally taught that the market price was the just price. "The Scholastics," Langholm writes, "considered the market price just because it is common in the sense of joint rather than because it is common in the sense of usual."⁶⁸ The union of discernment that the price represents, rather than the regularity of the price is, Langholm argues, what distinguishes the medieval just price theory from the modern one. Olivi offers us an insight into the way a price is jointly discovered in a market: "In the act of selling, it is not licit for me to give and to receive an unjust price of my good, since I am not establishing [a price] simply for my own good, but for a good to be exchanged with someone else."⁶⁹ The seller cannot vary the price—too high or too low—at his whim and certainly not his self-interest, as the price that he offers helps to set the standard for the community. In this way, the standard

⁶⁸ Langholm, "Economic Freedom in Scholastic Thought", 280. He continues: "It is one of the characteristics of markets to impose the same price on all. But it is surely anachronistic to imagine that such a joint price in a medieval marketplace would be justified in the eyes of a Scholastic observer the way the abstract price mechanism is justified (in some eyes) today, namely as a guide to social equilibrium and efficient allocation of joint resources."

⁶⁹ *Tract on Buying and Selling*, I.1.17

market price reflected a union of discernment for what was properly equitable for all parties.⁷⁰

As Langholm has aptly demonstrated, these high medieval scholastics universally condemned any attempt by a single person or group to alter the price of a good artificially—and so create dependency on a non-variable system.⁷¹ This could be done through owning a monopoly of the good, and therefore exclusively setting the price, or by buying and storing an excessive amount of a good only in order to sell it more dearly when the commodity became scarce (ie. speculation). He also notes that a merchant could not inordinately increase the price during times of great need—e.g. to sell food at a steep price during famine. So long as the price emerged from the common assessments of a people at peace, then it was deemed just.⁷² How a just price—or, rather, what we can call a customary price—emerged among a community did not come about by simply following an aggregate of supply and demand, forces that are supposedly objective and impersonal. Aquinas states there exists room for virtue to alter the price. For instance, “If a man finds that he derives great advantage from something he has bought, he may, of his own accord (*propria sponte*), pay the seller something over and above: and this pertains to his honesty (*honestatem*).”⁷³ Thus, in gratitude, the person can pay more. On the part of the seller, virtue can likewise break free from the rigid constraints of the market price. Aquinas provides the example of the merchant who is taking a good, dearly needed and scarcely available, to the next town. The market price for the good has risen because of the demand problems the town is having, but the merchant knows that more traders are

⁷⁰ This is also an important insight of both Baldwin, “Medieval Theories of Price” as well as Dempsey, “Just Price in a Functional Economy”.

⁷¹ He does this in many places, but in particular in Langholm, “Monopoly and Market Irregularities in Medieval Economic Thought” in *Journal of the History of Economic Thought* 28.4 (2006): 395–411.

⁷² See Langholm, *Merchant in the Confessional*, 241 for his summary. The entire book is a very learned demonstration of these claims.

⁷³ STh., II-II q.77 a.1 resp.

behind him coming to replenish the dearth, and, as a result, bring the price back down.

The citizens of the town do not know that further resources are coming. In this situation, what should the merchant do? Aquinas answers:

The seller, since he sells his goods at the price actually offered him, does not seem to act contrary to justice through not stating what is going to happen. If, however he were to do so, or if he lowered his price, it would be exceedingly virtuous on his part: although he does not seem to be bound to do this as a debt of justice.⁷⁴

As pertains to the strict laws of justice, the merchant is not bound to disclose the information of forthcoming supply—but in virtue, he can take a lower price. Finding the right price is difficult precisely because it is not perfectly formulaic. As a tacit admittance of this, medieval lawyers restricted sales to within fifty percent of the standard market price—granted that either party did not want to donate something to the other.⁷⁵ While the market price served as the baseline of the just price, the truly just price, ultimately, can only be discovered by two people of good will. There must be due consideration for the other. Such was also the conclusion of John Duns Scotus. He wrote:

At times, however, [discovering the equivalent price] is left to those making the exchange, namely, having weighed their mutual needs, they consider to give and receive here and there the equal value. Exchange between men is difficult when the parties do not intend to set aside something of that exact or indivisible justice owed to one another, so that, insofar as they do, a gift may be said to accompany every contract. And if this is the way that contracts are concluded, as though founded on the law of nature which says, “Do to another what you would have done to yourself”, it is sufficiently probable that the parties, if they are mutually content, intend to mutually remit the difference if something is lacking from the justice which they seek.⁷⁶

⁷⁴ STh., II-II q.77 a.3 ad 4: *unde venditor, qui vendit rem secundum pretium quod invenit, non videtur contra justitiam facere, si quod futurum est non exponat: si tamen exponeret, vel de pretio subtraheret, abundantioris esset virtutis: quamvis ad hoc non videatur teneri ex justitiae debito.*

⁷⁵ See Baldwin, “Medieval Theories of Price,” 25–26.

⁷⁶ *Ordinatio* 15, 283–4.

Quandoque autem relinquitur ipsis commutantibus, ut pensata mutua necessitate reputent siti mutuo dari aequivalens hinc inde et accipere. Durum est enim inter homines esse contractus in quibus contrahentes non intendunt aliquid de illi indivisibili iustitia remittere sibi mutuo, ut pro tanto omnem contractual concomitetur a liqua donatio. Et si iste est modus commutantium, quasi fundatus super illud legis naturae, “Hoc facias alii, quod tibi vis fieri,” satis probabile est quod quando sunt mutuo contenti, mutuo volunt sibi remittere si quad deficiunt ab ista iustitia requisita.

Insofar as the exact price is set by the two traders themselves, and it is indeed settled upon in goodwill and in total freedom, then “a certain real gift or concession commonly accompanies contracts,” as Antonino of Florence summarized Scotus’ point.⁷⁷ Generosity in soul, willing to lose something for the good of the other, defines a virtuous disposition within the commutations involved in buying and selling. Olivi suggests that the goodwill could be one sided, noting that the just price is a helpful custom, but not one that demands everyone rigorously follows the legal fiction: “Just as [a person] can give a good of theirs away without any price if they so want, they can give it away for a hundredth of its just price. Nor is there any injustice done to them.”⁷⁸ The just price, as organically decided based upon the free actions of a people, is a helpful custom: but with the increase of virtue, people can settle on a more just price—one grounded in distributive justice, rather than in commutative justice.

Reflecting on this medieval economic theory, Pope Benedict XVI wrote in *Caritas in veritate* that the modern economy must rediscover the place of distributive justice:

In a climate of mutual trust, the market is the economic institution that permits encounter between persons, inasmuch as they are economic subjects who make use of contracts to regulate their relations as they exchange goods and services of equivalent value between them, in order to satisfy their needs and desires. The market is subject to the principles of so-called commutative justice, which regulates the relations of giving and receiving between parties to a transaction. But the social doctrine of the Church has unceasingly highlighted the importance of distributive justice and social justice for the market economy, not only because it belongs within a broader social and political context, but also because of the wider network of relations within which it operates. In fact, if the market is governed solely by the principle of the equivalence in value of exchanged goods,⁷⁹ it cannot produce the social cohesion that it requires in order to function well. Without internal forms of solidarity and mutual trust, the market cannot completely fulfill its proper economic function.⁸⁰

⁷⁷ *Summa Theologica*, vol. 4, Pars 2a, Tit. Ius, c. 16, n. 2, 186. Originally found in Bernard W. Dempsey, “Just Price in a Functional Economy” in *The American Economic Review* 25.3 (1935): 471–486, 484.

⁷⁸ *Treatise on Contracts*, I.1.15

⁷⁹ It is interesting that Pope Benedict does not use the term commutative justice. See fn16 in this chapter.

⁸⁰ Benedict XVI, *Caritas in veritate*, 35.

From Just Price to Alms and From Goodwill to Friendship

Essential in understanding how monetary relations could operate according to distributive justice and gift as Blessed Scotus and Pope Benedict XVI commended, we have to recall the doctrine of the universal destination of earthly goods. Any account of giving someone a good or service that they previously did not have access to, is, in a sense, a regifting of creation, a redistribution of goods. Henry of Ghent, another 13th century scholastic, points out that there is no one way that such gifts should be given. It is worth capturing his vision in full:

In the state of grace after the Fall it would not have been expedient for the possession of all temporal goods to be one common inheritance and for the common use of its fruits to be free and without any exchange.... In this state of grace it is therefore expedient, with regard to the common state of cities, that there is inheritance of private ownership and possession of fruits, though in such a way that if another one among the citizens should want something for his use, to the extent that he was in need of it, the possessor ought to grant it him freely without any exchange and payment of the same thing or any other thing (if he should wish this to be an act of piety and mercy) or (if he should not so wish) on the agreement that restitution be made in the future either of the thing itself or of an equivalent accord to the will of the restorer, or immediately by exchange according to the will of both.⁸¹

Henry of Ghent's vision illuminates the need for all giving as stemming from another's need for the use of your goods. Yet the giving could be one sided, as alms given in charity, or it could be an exchange—with a restitution made in the future, by the same good lent or an equivalent value, or immediately in terms of exchange. This is a remarkable insight because it places all forms of giving, from monetary transaction to merciful alms, into the same overarching category. In one regard, he preserves the gift economy by staking the mentality for both true gifts and exchanges under the banner of "care for one's neighbor." According to Langholm, understanding economic activity, all

⁸¹ Henry of Ghent, *Quodlibet* VI.22 (1281/2): *Utrum commutation campsonia sit licita*, in *Opera*, X, 203–210, 204–5.

giving and receiving, buying and selling, within the universal destination of earthly goods demarcates, “the fundamental premise of scholastic economic reasoning.”⁸²

This insight also makes sense of the Catholic teaching that giving alms is properly a matter of justice, rather than merely charity. The 1996 Catechism of the Catholic Church states, “When we attend to the needs of those in want, we give them what is theirs, not ours. More than performing works of mercy, we are paying a debt of justice.”⁸³ This authoritative conclusion follows patristic and papal authors who perhaps made this point more clearly as they labelled almsgiving as an external action of justice. Consider the following. Basil: “Is he worthy of any name but a thief, who will not clothe the naked?”⁸⁴ Ambrose: “It is not anything of yours that you are bestowing on the poor; rather, you are giving back something of his. For you alone are usurping what was given in common for the use of all. The earth belongs to everyone.”⁸⁵ Augustine: “Those who possess superfluities possess alien goods.”⁸⁶ Gregory the Great: “When we supply necessities to the poor, we return what is theirs.”⁸⁷ Pope Leo XIII: “when what necessity demands has been supplied, and one’s standing fairly taken thought for, it becomes a duty to give to the indigent out of what remains over.”⁸⁸ Alms necessarily pertain to justice.

Giving alms and making exchanges certainly do require varying levels of charity—which, perhaps, demarcates the differences between them along the same scale. The external actions correspond to particular internal dispositions to one another. Friendship is essential for this discussion precisely because of its univocal meaning as charity; as

⁸² Langholm, *Economics in the Medieval Schools*, 22.

⁸³ CCC 2446.

⁸⁴ *Homily on Luke 12*, PG [31, 277]

⁸⁵ *On Naboth*, 12.53 PL [32:3, 498]

⁸⁶ *Exposition on the Psalms* 147.13

⁸⁷ *Book on Pastoral Regulations* PL [77, 87]

⁸⁸ *Rerum novarum*, 22. As for discerning when “necessaries” are met, see both Hirschfeld’s *Aquinas and the Market*, 170–190; Cloutier, *The Vice of Luxury*, 177–272; Blaise Pascal, “Letter XII: To the Reverend Fathers, The Jesuit”, 9 September 1656.

Aquinas wrote, “charity is friendship.”⁸⁹ Insofar as both charity and friendship wishes the other well and seeks communion with the other, they are synonymous terms.⁹⁰ While Aristotle says that “if people are friends there is no need of justice,” he finds that friendship and justice are companions.⁹¹ This Aristotelian insight is based upon the fact that friends wish to render to the other what is rightly due to them—but organically, without demarcated boundaries.⁹² While justice is found in an external establishment of equity and not in the passions, a just situation is most perfectly brought about by friends who gratuitously offer to one another what is due.⁹³

There are, of course, different kinds of friendship. Aristotle famously offered a tripartite categorization of friendship—defined by pleasure, utility, and virtue. Aquinas, relying on Aristotle’s insight in his *De malo*, applies this division to various forms of exchange:

One makes recompense in one way for a benefit received in the case of a useful friendship and in another way in the case of a virtuous friendship. This is so because the utility that the beneficiary of the benefit received should be the measure of recompense in the case of useful friendship, and the disposition of the donor of the benefit given should be the measure of recompense in the case of virtuous friendship. And to oblige one by a fixed contract to recompense a benefit does not belong to virtuous friendship. This is so because a beneficent friend in such a friendship affects the disposition of the friend receiving the benefit, namely, that the beneficiary freely and generously recompense the donor when the opportunity will arise. But to

⁸⁹ STh., II-II q. 23 a. 1 c.

⁹⁰ In the same article, Aquinas rightly distinguishes a love of concupiscence, in which an object is loved for the lover’s own sake (such as wine or a horse), and the love of friendship, in which the other is loved and communed with for the glory of God and the good of the other. The concupiscent form of love, which is not a negative notion, is not rightly synonymous with friendship.

⁹¹ Arist., *EN* VIII.1 1155a22.

⁹² See both Arist., *EN* VIII.1 1155a17–26 and *EN* VIII.9 1159a25–1160a30.

⁹³ There is certainly a Christian elevation of justice in terms of charity which renders it a passion—an internalized justice. Augustine argued that justice depends upon charity to be an operable virtue—otherwise it is no virtue at all. Thus he defines justice, like all other virtues, in terms of love: “Love serving only the loved object and therefore ruling rightly,” (*de moribus ecclesiae catholicae*, 15.25). Aquinas mentions and upholds this definition in STh., II-II q.58 a.1 ad 6. However, he does make the definition more specific: “justice is a habit whereby a man renders to each one his due by a constant and perpetual will” at STh., II-II q.58 a.1 resp.

oblige one by a fixed agreement to recompense a benefit is proper to useful friendship.⁹⁴

Within the fulness of friendship, recompense is non-exacting and gratuitous, as previously discussed. As Aristotle phrased it, “Friends’ goods are common goods. Indeed friendship consists in mutual sharing.”⁹⁵ If friends charge one another for their time or their goods, then that becomes, for Aquinas and Aristotle, a defining feature of a friendship of utility, not of virtue.

Of course, certain relationships have a mixture of the three different types of friendship, which Aristotle clarifies.⁹⁶ At certain times, the relationship can have qualities of utility or qualities of pleasure or qualities of virtue—but a consistent and de facto focus on the profit rather than the other person is the predominant feature of the friendship of utility. As Aristotle put it, “People who are friends by reason of utility break up their friendship when utility ends because they were not lovers of one another but only of profit.”⁹⁷ Such relationships are not stable precisely because the end is not the other person, but gain for oneself. It may seem odd that a transactionary relationship falls within the category of friendship at all, and Aristotle thought so, too. He wrote: “The remaining types [pleasure and utility] are called friendship by analogy, for some men are friends in virtue of something good or something akin to good... But these friendship do not combine very well nor do the same persons become friends from motives of utility.”⁹⁸

⁹⁴ Aquinas, *De malo* XIII.4.5: *Ad quintum dicendum, quod, sicut philosophus dicit in IX Ethic., recompensatio beneficii accepti aliter fit in amicitia utilis et aliter in amicitia honesti: quia in amicitia utilis est mensuranda recompensatio secundum utilitatem quam consecutus est ille qui beneficium accipit; in amicitia autem honesti, est recompensatio mensuranda secundum affectum eius qui beneficium dedit. Obligare autem ex certo pacto ad beneficium recompensandum non competit amicitiae honesti: quia in tali amicitia amicus benefaciens affectum amici inclinatur ut sibi gratis et liberaliter recompenset cum opportunitas fuerit. Sed obligare certo pacto ad recompensandum beneficium, est proprium in amicitia utilis*

⁹⁵ Arist., *EN* VIII.9 1159a31–32.

⁹⁶ Arist., *EN* VIII.6 1158a30.

⁹⁷ Arist., *EN* VIII.4 1157a14–16.

⁹⁸ Arist., *EN* VIII.4 1157a16.

Insofar as people regularly interact with one another in an exchange relationship, they have, only by analogy, a form of friendship.⁹⁹

One may respond to Aristotle by stating that regular transactionary relationships are not devoid of love and are not totally self-interested. The regular shopper may come to enjoy chatting to the clerk; the businessman negotiating a deal usually starts the conversation talking about family or sports rather than numbers. Aquinas was well aware of this retort. In contrasting useful relationships to perfect ones, Aquinas states, “The severe can be benevolent inasmuch as they affectively wish good to others and even effectively assist them in their needs. However, they do not really become friends because they do not live with nor take pleasure in the company of their friends.”¹⁰⁰ Though the relationship is not tense, and even offers good will between one another, it is not a truly virtuous relationship. For Aquinas and Aristotle, money takes over where friendship lacks.¹⁰¹

Aquinas doubles down on this conclusion in his *Summa* when he states that “goodwill is neither friendship nor love.”¹⁰² He offers two arguments to defend this claim. First, goodwill stems from the sensitive appetite in such a way that lacks impetuosity and desire; it comes on suddenly and does not endure. He likens the sentiment to the desire to cheer on a boxer in a match; taken up in the moment, one becomes an earnest supporter—but such sentiments stay in moment.¹⁰³ In contrast, he writes, “the passion of love is not aroused suddenly, but is born of an earnest consideration of the object loved.”¹⁰⁴ His

⁹⁹ Arist., *EN* VIII.6 1158a14–15: In the context of pleasant and useful relationships, Aristotle says, “Friendship implies familiarity and experience which are very difficult.”

¹⁰⁰ Aquinas, *Commentary on the Nic. Ethics*, VIII.6, 1608.

¹⁰¹ A simplistic example can help illuminate their more theoretical claims: If I am trying to move a piano, I can either call a company and pay them to help me or I can call on my friends; in the former case, I rely on a useful relationship with money as the exchange medium while in the latter charity is what is shared.

¹⁰² STh., II-II q.26 a.2 c

¹⁰³ STh., II-II q.26 a.2 resp.

¹⁰⁴ STh., II-II q.26 a.2 resp.

second argument states that the intellectual disposition differs insofar as, in goodwill, the people do not presuppose a certain belonging to one another. There is no assumed union or attachment as there is in friendship. Now, goodwill is a requirement of friendship, as we saw in the previous chapter: one must wish the other well—but goodwill without fidelity, without presupposing some union with the other, and without a genuine responsibility over the other becomes what Aristotle termed, “an ineffective friendship.”¹⁰⁵

Yet the congenial sentiments within exchanges are often truly genuine, even if transitory. And negotiating to achieve the other’s good, as Scotus commended, seems to be a step toward rendering one’s goodwill efficacious—even if Aquinas would still call this person “severe”. It seems to be tending in the direction of friendship. Moreover, these relationships are necessary if one lives in a city, which Aquinas defines as a self-sufficient community.¹⁰⁶ The self-sufficient community cannot be composed of only virtuous friendships. One is limited by the number of virtuous friendships he can have. This may seem self-evident, but Aristotle argues for this conclusion in three ways: first, that virtuous friends share life with one another, thus demanding that they live near one another, which is a physical limitation; second, one’s friends must be friends of one another; and, third, people have limited emotional capacities (“it is difficult to share intimately in the joys and sorrows of many people”)—and therefore can only engage well with a sparse number of people.¹⁰⁷ Yet if one is to engage in the economy of a city, they will base their relationship on something else other than virtue—and often that is utility. Money provides the means necessary to expand the number of friendships of utility.

¹⁰⁵ Arist., *EN* VIII.5 1167a11.

¹⁰⁶ Aquinas, *De regimine* I.2.14

¹⁰⁷ Arist., *EN* IX.12 1170b33–1171a8

While goodwill ought not be confused with love, it is, as Aristotle and Aquinas teach, “the beginning of friendship.”¹⁰⁸ One generates goodwill for another once it recognizes its form as beautiful. This felt-sense of benevolence will always precede actually cultivating the good of the other. Insofar as one engages in exchange in the manner discussed, they are going beyond the mere well wishing for another by, in some sense, sacrificing a part of themselves to actualize the good of the other. Transactions of this sort do not focus exclusively on the self—they are beginning to recognize that one is part of the common good and to operate accordingly. But this does not yet get us to a compelling understanding of money as an aid in the life of virtue.

Taking Control

In the *Prima pars*, Aquinas teaches that there are two forms of mastery. The first occurs when a person wields his power for his private interests; the second comes when a person uses his power to “direct him either towards his proper welfare or to the common good.”¹⁰⁹ Even in the postlapsarian world, the former type of mastery is morally impermissible. However, after the fall a person is allowed to use his power in more ways in order to cultivate and maintain the common good. Perhaps Aquinas’ most famous example is that of killing. He writes in the *Secunda secundae*, “the care of the common good is entrusted to persons of rank having public authority: wherefore they alone, and not private individuals, can lawfully put evildoers to death.”¹¹⁰ While killing is a natural evil, given the charge to preserve the common good, there are occasions in which killing becomes a moral act.

¹⁰⁸ STh., II-II q.26 a.2 c; Arist., *EN* IX.12 1167a3

¹⁰⁹ STh., I q.96 a.4 resp.

¹¹⁰ STh., II-II q.64 a.3 resp. See the entire question for his continued justification of this premise.

Aquinas himself parallels the example of killing with economic engagement.¹¹¹ To help understand the analogy that I am proposing, recall our discussion of law. One place in which rulers must enact law is precisely where the peace is broken, where goodwill is ignored or limited. Authorities can engage in coercive means in order to protect the common good of the society at large. Once the laws have been truly assumed in heart, they can be adjusted, loosened, or lifted. There is an analogue to money. Where a friendship still is imperfect, money is necessary. Money, as we have argued, is a form of power. It can be utilized as a coercive mechanism against those whose love for you has not yet been fulfilled in order to bring about the common good.

But there is a fundamental distinction between law and money. Worthy of particular note is Aquinas' claim that the decision to put someone to death, as with all legal judgements, can only be done by someone of rank, while economic activity certainly does not: "It is lawful for any private individual to do anything for the common good, provided it harm nobody."¹¹² Because within a just exchange an equality is sought, there is no harm done to the other person. For Olivi, a just exchange implies that, "I ought to return to you as much as you confer upon me according to the rule of the common good."¹¹³ Commenting on this same topic, Oswald von Nell-Bruening, Pope Pius XI's lead advisor for *Quadragesimo anno*, said, "A just price is one which achieves objective equivalence between what is given and what is received."¹¹⁴ As we have seen, what those objective goods are pertain, in part, to the valuations of the market and in part to the honest assessment of individual persons. An exchange becomes just insofar as there is no

¹¹¹ See Aquinas' *De malo* XIII.4.11 to see him parallel killing to giving loans, stating that there are occasions when both could be permitted.

¹¹² STh., II-II q.64 a.3 ad 3

¹¹³ *Treatise on Contracts*, I.2.37.

¹¹⁴ Oswald von Nell-Bruening, "The Concept of a Just Price" trans. Robert J. McEwan in *Review of Social Economy* 8.2 (1950): 111–122, 111.

harm involved, which implies an equivalence. This principle harkens back to St. Paul's declaration that "he who does not work shall not eat" (2 Thess. 5:12). One is able to make his work self-referential—meaning, he is able to work for a wage—insofar as the work is actually a genuine benefit to the other. People can engage in these types of exchanges at the lowest possible level of society—rather than by those of a high rank—and money enables these exchange relations to exist with more regularity. This is Oresme's praise of money, which enables a superior model of subsidiarity to be achieved in society. But the importance of this discussion is to argue that the exchange need not be a free gift to the other precisely because they are using their money—that is, their power—to entice the other person into aiding the common good, of which the individual is a part.

Mary Hirschfeld has made a similar argument while justifying Aquinas' claim that private property becomes licit, even morally advantageous, after the fall. Recall Aquinas' claim that one must have a sufficient amount of bodily goods because they are "necessary for our act of virtue."¹¹⁵ Supplying ourselves with necessities is part of natural law, he argues.¹¹⁶ While the universal destination of earthly goods directs us to use all things for the good of all, "Aquinas makes clear in his treatise on charity, our love of ourselves rightly takes precedence over our love of our neighbors."¹¹⁷ In consort with this principle, Aquinas states, while discussing almsgiving, "It is altogether wrong to give alms out of what is necessary to us [to sustain our lives]."¹¹⁸ While Aquinas does wind back that statement, offering a few examples of when doing so could be licit and good, his conclusion is clear: one should not surrender what he needs for the life of virtue. If, as Aquinas says, God ought to be our first love, and acting in virtue is the means of coming

¹¹⁵ STh., II-II q. 118 a. 5 resp.

¹¹⁶ SCG., III.131.2,3; 134.2,3

¹¹⁷ Hirschfeld, *Aquinas and the Market*, 166, here citing STh., II-II q. 26 a. 4

¹¹⁸ STh., II-II q. 32 a. 6 resp.

into unity with him, then forgoing what is needed for virtue would be the same as forgoing our union with God. As Hirschfeld has provocatively phrased it, “To attempt to love our neighbors more than ourselves would be essentially to love our neighbors more than God.”¹¹⁹

Becoming virtuous, as we have seen, is one and the same as becoming more united with other people. From the initial unity with God, a substantial relation with the Creator, a “similitude” of that relation can exist with others.¹²⁰ And thus to increase in virtue enables one to be more receptive to friendship with others.¹²¹ Given this metaphysic, money not only has its place, but potentially an important place; it becomes a means to protect one’s pursuit of virtue.

¹¹⁹ Hirschfeld, *Aquinas and the Market*, 167.

¹²⁰ For an exposition of Aquinas’ metaphysic of love, see Anthony T. Flood, *The Metaphysical Foundations of Love* (Washington, DC: Catholic University of America Press, 2018), especially chapters 1&2.

¹²¹ Andrew Pinsent, *The Second-Person Perspective in Aquinas’ Ethics*, especially chapters 2–4, adduces this claim.

Chapter 6

Money as Capital: Past and Present

Thus far, we have seen the tradition's hesitation with money and tried to understand it more fully. Its criticisms, however, are not fundamental to every use of money; money does not causally create sin—it merely creates the occasion of it, as figures such as Aquinas and Bonaventure have taught. But beyond a mere permissibility of money, we have positively argued that money can serve someone in his attempt to protect and provide himself with what is necessary for a virtuous life.

Certainly my argument thus far implies that the monetary economy should be much smaller than it currently is. Oresme insinuated this same idea when he stated that a city ought only be so large as to be governable and self-sufficient. Aquinas did so as well, adding to this claim that “if men lived together only to acquire wealth, then all those who traded together would belong to one city.”¹ The city would continuously expand to sustain such trade, he reasons.² In contrast, Aquinas argued that a society that sets virtue as its end will be smaller and predominately self-sufficient.³ The trouble with having a culture that focused more on buying and selling and less on growing and sharing seemed to some to oppose the virtues of industriousness and austerity.⁴

Of course, the trouble with using money to make money reminds one of the sin of usury. Usury—the practice of charging interest on a loan—has a long and colored history

¹ Aquinas, *De regimine*, I.15.6: *Si vero propter acquirendas divitias, omnes simul negotiantes ad unam civitatem pertinerent.*

² This is a point that he borrows from Aristotle, *Politics*, 3.8 1280a.28–b.8

³ Aquinas, *De regimine*, II.3

⁴ This is how Pope John Paul II phrased it in *Laborem exercens* 9–10.

in Church teaching.⁵ Yet this complicated and difficult issue of usury did not totally cast aspersions on mercantile activity. Aquinas, for his part, defended the merchant, albeit in a limited way. Pope John Paul II, teaching in *Centesimus annus*, likewise defends investing, though, again, with severe caveats. The former saw mercantile investment as a way to ensure that a community could obtain all necessities (*necessarii*) as well as to share its abundance of goods with other cities.⁶ For the latter, he defined investment as a means by which to dignify the labor of others.⁷ In both cases, monetary investments were still meant to aid the life of virtue. Despite important admonitions, the Church's magisterium has ultimately ruled in favor of the (limited) use of money as capital—meaning, using money for making a monetary profit. In this final chapter, I want to analyze this expression of money and to begin exploring its justification within the tradition.

⁵ Session 10 of the Fifth Lateran Council defined usury as follows: “When, from its use, a thing which produces nothing is applied to the acquiring of gain and profit without any work, any expense or any risk.” For the last magisterial declaration on usury, see Benedict XIV’s *Vix Peruenit*. For an introduction to the debates in the secondary literature, see John T. Noonan, *The Scholastic Analysis of Usury* (Cambridge, MA: Harvard University Press, 1957); Robert P. Maloney, “The Teachings of the Fathers on Usury” in *Vigiliae Christianae* 27 (1973): 241–265; Raymond de Roover, “The Scholastics, Usury, and Foreign Exchange” in *The Business History Review* 41.3 (1967): 257–271; Odd Langholm, *The Aristotelian Analysis of Usury* (Bergen: Universitetsforlaget, 1984); Jeremy Bell, “Thomas Aquinas, John Noonan, and the Usury Prohibition” in *Nova et Vetera* 19.2 (2021): 469–530.

⁶ Aquinas, *De regimine*, II.3.5: “Trade must not be entirely kept out of a city, since one cannot easily find any place so overflowing with the necessities of life as not to need some commodities from other parts. Also, when there is an over-abundance of some commodities in one place, these goods would serve no purpose if they could not be carried elsewhere by professional traders. Consequently, *the perfect city will make a moderate use of merchants*.” This rather practical advice was, for Aquinas, derived from theological principles.

⁷ The section in question comes from *Centesimus annus* 36:

It is not wrong to want to live better; what is wrong is a style of life which is presumed to be better when it is directed towards “having” rather than “being”, and which wants to have more, not in order to be more but in order to spend life in enjoyment as an end in itself. It is therefore necessary to create life-styles in which the quest for truth, beauty, goodness and communion with others for the sake of common growth are the factors which determine consumer choices, savings and investments. In this regard, it is not a matter of the duty of charity alone, that is, the duty to give from one’s “abundance”, and sometimes even out of one’s needs, in order to provide what is essential for the life of a poor person. I am referring to the fact that even the decision to invest in one place rather than another, in one productive sector rather than another, is always a moral and cultural choice. Given the utter necessity of certain economic conditions and of political stability, the decision to invest, that is, to offer people an opportunity to make good use of their own labour, is also determined by an attitude of human sympathy and trust in Providence, which reveal the human quality of the person making such decisions.

Capital and Partnerships

The first medieval theorist to make a distinction between money as a medium of exchange and money as capital was the Franciscan friar Peter John Olivi. Olivi, as we have mentioned, was a very influential economic thinker throughout high and renaissance scholasticism—second only to Aquinas himself, as Langholm has demonstrated.⁸ Olivi is famously remembered for his work on poverty.⁹ At the founding of his order, Francis instructed: “I firmly command all the brothers that they in no way receive coins or money, either personally or through an intermediary.”¹⁰ Olivi was a fierce defender of Franciscan voluntary poverty. Perhaps ironically, Sylvain Piron, a towering figure in Olivi studies, states that Olivi’s *Treatise on Contracts* was a continuation of his *Treatise on Poverty*.¹¹ Piron argues that it is an extension of his work by an application of the same principles, stating that Olivi’s insistence on presenting the Franciscan vow of poverty as an active renunciation of the social bonds of property rights and contracts leads him, almost logically, to conceive of these bonds in the mode of a parallel but imperfect activity: investing.¹² Olivi’s key principle of analysis, Piron argues, is the will or the voluntary nature of social bonds. In both cases, as we will see, the use of goods builds on a collective possession, though in different modes—one ontological, the other legal. Where the vow of poverty gives form to one’s relation to the world through poor use (*paupere*

⁸ Later in his career, Langholm put it even more strongly. Speaking of the modern academy’s understanding of the most influential figures in medieval and renaissance economic history, Langholm says that after Olivi’s treatises were found, “The supreme authority of Thomas Aquinas was challenged by Olivi.” See his “Olivi to Hutcheson”, 139.

⁹ David Burr and David Flood, “Peter Olivi: On Poverty and Revenue” in *Franciscan Studies* 40 (1980): 18–58.

¹⁰ Francis of Assisi, “The Later Rule” in *Francis and Clare: The Complete Works*, trans. Regis J. Armstrong and Ignatius C. Brady (Mahwah, New Jersey: Paulist Press, 1982), 140.

¹¹ Sylvain Piron, “Vœu et contrat chez Pierre de Jean Olivi” in *Les Cahiers du Centre de Recherches Historiques* 16 (1996): 1–12.

¹² *Ibid.*, 6–7: *L’insistance mise à présenter le vœu de pauvreté franciscain comme renoncement actif aux liens sociaux du droit de propriété et des contrats l’amène, presque logiquement, à concevoir ces liens sur le mode d’une activité parallèle, mais imparfaite, qui vise l’avenir terrestre au lieu de l’avenir céleste.*

usu), so the will of the merchant, as defined in a contract, gives form to his specific control over particular things. This implies that, in evaluating the morality of a contract, the answer is always buried in the intention of the merchant.¹³ But internal orientations lead to certain external actions—and it is both the internal and external components that compose Olivi’s interest.

As another note of interest, Olivi emerged on the scene a full century before Oresme. During Oresme’s era, debasement of coinage was the great economic sin. During Olivi’s, people wondered about the increased mercantile activity. While Oresme analyzed the nature of money as a tool of the king, Olivi analyzed it as a tool of the merchant. Though Olivi’s work is extremely subtle, his focus is more on economic activity and economic relations than on the invention of money itself—which is why I have focused this thesis on Oresme. But there is one major exception to this claim: Olivi wondered about the nature of money qua capital.

His argument turns on the conviction that money in general and capital in particular is a semiotics, which acquires functional dynamic meaning through human acts. Because money does not have an essential nature, what it precisely signifies is the result of a particular intention of the user. As Olivi writes: “Because that [money-item], which in the firm resolution of its owner is ordered to some probable profit, not only does it have the simple character of money or of a good, but also, besides this, a certain seminal character (*ratio seminalis*) of profit which is commonly called ‘capital.’”¹⁴ “Seminal” is certainly the crucial term in this definition—not least because someone that uses money

¹³ Ibid., 5: *L’intention seule définit la véritable nature du contrat, quelle qu’en soit la forme extérieure apparente.*

¹⁴ Peter of John Olivi, *Treatise on Contracts* III.6.63: *quia illud quod in firmo proposito domini sui est ordinatum ad aliquod probabile lucrum, non solum habet rationem simplicis pecunie seu rei, sed etiam ultra hoc quamdam rationem seminalem lucri quam communiter capitale vocamus.*

for productive means uses it in the same way anyone would in a normal exchange; it is still a consumable form of power. For instance, if I wanted to bake bread to sell, I would first need to purchase the equipment, the space, and the ingredients to do so. But these purchases would occur with the use of money as a medium of exchange—just as if I merely bought an apple at the supermarket. In both cases, the money-item operates as a medium of exchange. What differentiates money as mere medium of exchange and money as capital is its seminal purpose—what the user intends the funds for.

Ratio seminalis is, we should mention, a technical term.¹⁵ Church fathers such as Tertullian and Augustine used the term to describe God’s creative act as inclusive of all potential forms that would later emerge and develop as a means to explain the relationship between matter and form. Olivi, for his part, wrote in his commentary on Peter Lombard’s *Sentences*, “You will never find, as far as I know, someone who says that *ratio seminalis* is the essence of forms or of things brought about, but is only a cause of them or the force of their cause or the reason, seminal, or likeness of the cause.”¹⁶ For Olivi, this term refers to the potential of a thing that was created by an agent and is later activated by an agent; it speaks to the the efficient cause’s ability to develop, change, and empower an object. In the monetary economy, the community with money can actualize the latent potential of money to transform it into something more than it commonly is. Though capital operates in the same manner as “the simple character of money,” as Olivi phrases it, the owner’s intention for the money can activate a hidden potential already conferred upon it by the community, namely, the ability to use it for a profitable end.

¹⁵ See for introduction of this term in the Christian tradition, Michael John McKeough, “The Meaning of the Rationes Seminales in St. Augustine,” PhD diss., (Catholic University of America, 1926).

¹⁶ Petrus Iohannis Olivi, *Quaestiones in secundum librum Sententiarum*, Q: 31, responsio, pag.: 548, linea: 18–s. 13 p.C. B. Jansen, 1922; 1924; 1926 (Bibliotheca Franciscana Scholastica Medii Aevi, Tom. IV–VI): *nusquam invenies, quod sciam, eum dixisse quod illa ratio seminalis sit essentia formarum vel rerum educendarum, sed solum quod sit causa earum vel vis potentia que causalis vel ratio causalis seu seminalis et consimilia.*

John T. Noonan attempted to provide a different understanding of capital than what Olivi proposed. Writing about “the fertility of money”, he states that, capital “is always fertile [if] identified with what it buys.”¹⁷ This sentiment that capital ought to be equated with what it purchases, which is so pervasive in modern economics, confuses the fundamental economic character of all monetary capital: no matter what money is a placeholder for—whether an apple tree, a home, or a horse—a person must still supply his creative labor to render it fruitful in a human economy. A person must pick the apples, restore and rent the home, and train, feed, and ride the horse for any truly productive activity to occur. As Pope John Paul II wrote in *Centesimus annus*: “the earth does not yield its fruits without a particular human response to God’s gift, that is to say, without work.”¹⁸ Capital without labor is not necessarily impotent, but it is unproductive; what renders property productive for humanity is human work. Aquinas, at his time, knew a version of the argument Noonan much later offered, and responded that it suffered from a basic confusion of instrumental versus principal causality.¹⁹ While capital provides an opportunity for one’s labor as instrument, and is thus essential, it does not serve as the creative actor of productive work. Capital, for Olivi, signifies a means to produce more than one currently has, to procure a profit, though only through equal exchanges. Olivi makes this plain: “money, as it is the price of things for sale, confers no profit except through the industriousness and act of the merchant.”²⁰ The distinction is solely in terms of intention—specifically, an immediate intention, as we will discuss.²¹

¹⁷ Noonan, *The Scholastic Analysis of Usury*, 395.

¹⁸ John Paul II, *Centesimus annus* 31.

¹⁹ STh., II-II q.78 a.3 ad 3. This idea was later given magisterial weight by Pope John Paul II, *Laborem exercens* 12.

²⁰ *Treatise on Contracts* II.8.37

²¹ See *Treatise on Contracts* III.6.64.

Olivi offers certain principles for discerning a just partnership, but chief among them is co-ownership. He writes that “risk” is a necessary condition for a just investment precisely because it, “includes the ownership and use of the thing imperiled for the one making a profit.”²² Amidst certain modern Catholic economists who state that risk is a sufficient condition to justify a return, it is important to note that that is not what Olivi teaches.²³ Risk, for him, is a sign for something else, namely ownership. This distinction seems reasonable. Risk per se does not justify an action; Russian Roulette is certainly risky but also unjust. Risk cannot stand as a necessary and sufficient condition for a just investment, as Olivi’s follower Bernadine of Siena would clarify.²⁴ For Olivi, risk is a sign whereas ownership is the principle. “Ownership is necessary,” Olivi continues, “because one needs to make a profit from one’s own good as such, not from a good as it already belongs to another; and use is necessary because the use of a thing from which profit comes needs to belong directly or indirectly to the one who makes the profit.”²⁵ For him, a contract that fully binds parties together—where the loss of one is the loss of both and the profit of one is the profit of both—is the mark of true unity.

Thomas Aquinas says that an investor who pays for the costs of a merchant’s journey with the hope of sharing in his profits creates a type of *societas* or “joint activity” with him. In medieval society, a *societas* first denoted a personal relationship, even being used to refer to marriage.²⁶ But the term came to carry a technical meaning as well: a single-venture agreement between an investing partner (called a *stans*) who stayed at

²² *Treatise on Contracts*, III.4.31.

²³ Samuel Gregg, *For God and for Profit* (Cross Roads, 2016), 134–137 attributes this position to scholastic thought broadly and the V Lateran Council specifically. He finds risk to offer an intrinsic title to charge interest on a loan.

²⁴ “A lender’s assumption of risk does not suffice to excuse an act as vicious in itself,” Bernadine of Siena, *De contractibus* 39.1.1; found in Noonan, *Scholastic Analysis*, 150.

²⁵ *Treatise on Contracts*, III.4.31. See Langholm, *Economics in the Medieval Schools*, 366 for similar comments on this passage. See Duns Scotus *Opera Omnia*, V, 229 where he argues the same.

²⁶ “societas, societatis” DLMBS.

home and a traveling partner (a *tractor*) who accepted the personal challenge of the venture.²⁷ The former would put up “two thirds of the money and the traveler one third, with profits (or losses) split fifty-fifty.”²⁸ Both parties were subject to unlimited personal liability if the venture was unsuccessful. For example, the traveling partner might use the money to sail to Portugal, procure wine, and bring it back to sell in the local market. After paying the costs of the travel, whatever was left over was split evenly with the investing partner. If the merchant capsized and lost everything, then they both lost their investment. While the *stans* was, on occasion, a passive investor, this was not particularly common. Raymond de Roover writes that “it would be a mistake to consider the *stans* as a sort of sleeping partner, who was only interested in getting a return on a speculative investment.”²⁹ The investor was often an older merchant, well practiced in business, who advised the young merchant on where to go and what to buy, and would aid him in selling the goods upon his return. The proceeds of the profits would be divided between the merchant and the investor, and the *societas* would end once the funds were distributed.

According to Edwin Hunt, a new business arrangement became popular after the deaths of Aquinas and Olivi, one organized around multiple partnerships that endured for a set time, rather than being limited to a single venture. These agreements lasted according to the partners’ preference: typically between two and twelve years. An

²⁷ Edwin S. Hunt and James M. Murray, *A History of Business in Medieval Europe, 1200–1500* (Cambridge: Cambridge University Press, 1999), 61. The *societas* was not the only arrangement used by investors. Another popular one was the *commenda*, in which the investor put up all the money and received three quarters of the profit. While the numbers and proportions were different, the form and principles were clearly the same. For more on this topic, see John H. Pryor, “The Origins of the *Commenda* Contract” in *Speculum* 52:1 (1977): 5–37.

²⁸ *Ibid.*

²⁹ Richard de Roover, “The Organization of Trade” in *The Cambridge Economic History of Europe from the Decline of the Roman Empire*, ed. by M. M. Postan, E. E. Rich, and E. Miller, vol. 3 (Cambridge: Cambridge University Press, 1963), 42–118, at 50. Of course, some investors were only interested in money, as the constant diatribes from the pulpit against such greedy behavior makes clear.

example of this type of enterprise is the 14th century's Peruzzi Company.³⁰ It consisted of twenty-one partners. Each partner contributed money to the ventures, entitling them to a proportional percentage of the total profit of the company. Still, the venture took the form of a *societas*: a venture of laborers and investors, risking loss, in the hope of providing goods to their communities and of remuneration by a share in the profits. For the Peruzzi Company, "most, if not all shareholders, along with several sons of shareholders, worked actively for the company, [and] none received any apparent remuneration other than their pro rata share of profit."³¹ The investor became an explicitly active member of the joint-action.

In the centuries that followed, an important feature arose that made way for our modern form of capital investments: the legal concept of a "company." As should be clear, the *societas* described people. "Company," as we now use the term, describes a legal entity, an "it." People can own a part of "it"—and own a part of "it" for an unfixed period of time—where once they had a relationship to an "us."

The transformation of the *societas* into the company, the "us" into an "it," has a complex history, and certainly did not result with necessity from a single historical cause. It suffices to point out that, for this shift to be possible at all, it was necessary for an investor to begin to relate to the venture as something that exceeded the life and the purposes of any of the individuals that made it up. This could not have happened without the practice of temporally indeterminate investments. If an investment is neither for a determinate venture, with which it concludes, nor for a set time, then the work the investment enables must have no logical end. While a *societas* is marked by a terminus, a

³⁰ Edwin Hunt, *The Medieval Super-Companies: A Study of Peruzzi Company of Florence* (Cambridge: Cambridge University Press, 1994).

³¹ *Ibid.*, 91.

company is marked by a quasi-immortal life; and while a *societas* is marked by a definite work, a company is marked by any work. However it came about historically, this transformation allowed an investor to claim ownership of a company in the same manner he might claim to own any other “it,” such as a table, a car, or a house—without a terminus and without a need to work for the enterprise, continuously give to the ventures, or receive proportional profits according to the work and capital contributed for each independently productive venture. The “partner” became the “shareholder.”³²

This new arrangement is in tension with Olivi’s principle that, “a partnership contract demands an equality of proportion, namely so that I give or do in the partnership as much as I proportionally receive from it.”³³ The arrangement clearly impinges upon a just proportionality when the industry of the worker never ceases while the investor’s contribution can and often does. A capital contribution for a single venture transforms into an ownership over another’s work. Fundamental to this transformation is capital’s own evolution from a particular use to a complete endeavor to a continual generation of profit. The understanding of capital has radically altered in this picture because the semiotics has broken from actual function; it is a misleading sign. Under such contractual arrangements, money is no longer treated as a consumable form of power but a permanent and self-generating one—something more akin to a tree that bears fruit every year rather than an apple which one eats.

Within Olivi’s definition of capital, money still operates as a medium of exchange and measure of value, and yet has an intended generative function by means of the industry of the person. This implies that capital is fundamentally based upon money as a

³² For the 14th-century *societas*, in distinction from later developments, as Hunt notes, “the word ‘shareholder’ can be used interchangeably with the word ‘partner’” (*Medieval Super-Companies*, 76).

³³ *Treatise on Contracts*, III.7.71: *contractus autem societatis exigeat equalitatem proportionis, ut scilicet quantum ego in societatis do vel facio, tantum proportionaliter inde recipiam.*

medium of exchange and as a semiotics of trust; it does not operate any differently as capital—it is merely directed toward purchases that, added with the creative labor of those in the *societas*, ends in more money. As soon as the definition of capital is changed—or, at the very least, treated differently—as a perennial claim of ownership on another’s labor, the semiotics no longer has a reference in production but rather in servitude.

Chances to Charge

Pertinent to this conversation on capital is the consideration of charging interest on a loan—how do the two concepts contrast with the other? There are many responses to this question. John Finnis offers one well known answer. In his book on Aquinas, Finnis offers a (relatively controversial) reading the schoolman’s notion of an opportunity cost. Finnis writes: “This general theory of compensable loss is presupposed in Aquinas’ account of just compensation to money-lenders. They are entitled to compensation for losing what they ought to have {*quod debe[n]t habere*}.³⁴ The passage that he comments on is the following:

A lender may without sin enter an agreement with the borrower for compensation for the loss he incurs of something he ought to have, for this is not to sell the use of money but to avoid a loss. It may also happen that the borrower avoids a greater loss than the lender incurs, wherefore the borrower may repay the lender with what he has gained. But the lender cannot enter an agreement for compensation, through the fact that he makes no profit out of his money: because he must not sell that which he has not yet and may be prevented in many ways from having.³⁵

Finnis’ comment on this passage reads:

One makes precisely that sort of discount, in effect, if one takes as the measure of loss of profit (e.g. lost alternative income) the general or average return on

³⁴ John Finnis, *Aquinas* (Oxford: Oxford University Press, 1998), 209.

³⁵ STh., II-II q.78 a.2 ad 1: *quod ille qui mutuum dat, potest absque peccato in pactum deducere cum eo, qui mutuum accipit, recompensationem damni, per quod subtrahitur sibi aliquid, quod debet habere; hoc enim non est vendere usum pecuniae, sed damnum vitare; et potest esse, quod accipiens mutuum majus damnum evitet, quam dans incurret: unde accipiens mutuum, cum sua utilitate damnum alterius recompensat: recompensationem vero damni, quod consideratur in hoc quod de pecunia non lucratur, non potest in pactum deducere: quia non debet vendere id, quod nondum habet, et potest impediri multipliciter ab habendo.*

morally acceptable investments in a genuine capital market available to the lender. And morally acceptable investments include, as we have seen, risk-bearing shares in commercial and productive associations *{societates}*. Thus there has become available an appropriate measure of fair charges (interest) for money loans.³⁶

His argument, in brief, is the following: one is owed what one ought to have; the potential profits that one would have had if he had not loaned out his funds are rightfully owed to him; therefore, the borrower ought to be compensated (*restitutio*) for this opportunity cost. Finnis concludes:

Aquinas' account of usury, taken with his general theory of compensation, thus identifies *principles* (not rules made up by moralists or ecclesiastics) which enable us to see why in his era it was unjust for lenders to make a charge (however described) in the nature of profit, but with the development of a capital market for both equities and bonds it was to become fair and reasonable to make precisely such a charge, correlated with (which is not to say identical to) the general rate of return on equities.³⁷

It should be said that this is certainly not an obvious reading of Aquinas—or even the standard reading of him.³⁸ Luis de Molina, the sixteenth century Jesuit, explicitly proposed this opportunity cost model that Finnis presents, but, according to Diego Alonso-Lasheras, he did so knowing that he disagreed with Thomas Aquinas.³⁹ The mainstream interpretation of Aquinas understands him to speak about a loss actually sustained (*damnum emergens*) rather than a missed opportunity for profit (*lucrum cessans*). Much of this is predicated upon how Aquinas understands loss; he says, “loss is so-called from a man having less than his due.”⁴⁰ What is due that person is the

³⁶ Finnis, *Aquinas*, 209–10. There is an additional predicament of whether or not there can be “morally acceptable investments” in public companies at all, given that it is based upon speculation. See Michael Naughton, Helen Alford, eds., *Managing as if Faith Matters: Christian Social Principles in the Modern Organization* (Notre Dame: University of Notre Dame, 2001), 23–127.

³⁷ *Ibid.*, 210.

³⁸ André Lapidus, “Information and Risk in the Medieval Doctrine of Usury during the Thirteenth Century” in *Perspectives on the History of Economic Thought* ed. William Barber (London: Edward Elgar, 1991), 23–38, 28; Benedikt Koehler, “Thomas Aquinas on the Conduct of Sales” in *Economic Affairs* 40 (2020): 358–366, 361; Langholm, *The Aristotelian Analysis of Usury*, 94–95; Piron, *Treatise on Contracts*, 56fn31.

³⁹ Diego Alonso-Lasheras, *Luis de Molina's De Iustitia et Iure* (Leiden: Brill, 2011), 143–144. For instance he writes: “Molina knew that he had the authorities of Innocent IV, Aquinas and Soto against the legitimacy of *lucrum cessans*; he therefore felt compelled to provide a rather long explanation regarding why the title was legitimate.”

⁴⁰ STh., II-II q. 62 a. 4 resp: *damnum enim dicitur ex eo, quod aliquis minus habet, quam debet habere.*

preservation of his status and the protection of those “under his charge.”⁴¹ If he should fall from this state, then restitution must be supplied.⁴² Yet, Aquinas offers a qualification to his claim against *damnum emergens*: “A loss of this kind need not be made good in equivalent because to have a thing virtually is less than to have it actually and to be on the way to obtain a thing is to have it merely virtually or potentially, and so were he to be indemnified by receiving the thing actually, he would be paid, not the exact value taken from him, but more.”⁴³ For Aquinas’ system, a restitution made for damages incurred should not be equivalent to what one would have received because the work was never actually accomplished.

Molina, for his part, never substantially engaged with Aquinas’ theory of need and loss. But he did attempt four arguments to justify charging a debtor for a creditor’s missed financial opportunity (*lucrum cessans*). First, he challenges a common medieval argument against *lucrum cessans* that one could not actually estimate the profits he would obtain, seeing that he did not actually make them. To this Molina replies that an experienced merchant would always be able to calculate his opportunity cost.⁴⁴ In fact, he references the *Digest*, which allows for a fisherman to sell his catch prior to setting off for sea.⁴⁵ Of

⁴¹ STh., II-II q. 32 a. 6 resp.

⁴² STh., II-II q. 62 a. 4 resp; STh., II-II q.78 a.2 ad 1.

⁴³ STh., II-II q.62 a.4 resp: *tale damnum non oportet recompensare ex aequo; quia minus est habere aliquid virtute, quam habere actu: qui autem est in via adipiscendi aliquid, habet illud solum secundum virtutem, vel potentiam: et ideo si redderetur ei, ut haberet hoc in actu, restitueretur ei quod est ablatum, non simplum, sed multiplicatum.*

⁴⁴ *De justitia et jure*, II.315.11: *Primo quoniam lucrum ratione mutui cessans, non minus est pecunia aestimabile, quam damnum ex mutuo emergens: neque enim prudens mercator, qui ad negotiandum paratam habet aliquam pecuniam, ex qua sperat lucrari centum, minus aestimabit lucrum illud ita in spe, quam pati iacturam viginti cum aequali probabilitate, imo longe plus: ergo sicut fas est pacisci de damno illo emergente, rationeque illius accipere aliquid ultra sortem, ita erit licitum eidem pacisci simili modo de lucro cessante.*

Molina breaks the above argument into two—what he labels as the first and the fifth. But his point is the same; the difference between the two is a claim of the competence of a good merchant in the first and a reference to the law permitting fisherman to sell their catch before they had it in the fifth. Both pertain to the notion of setting a price for unknown benefit delivered to society.

It is worthwhile also mentioning that Aquinas states in the same passage that returning this “more” is not strictly necessary, “this is not necessary for salvation.”

⁴⁵ He references *Digest* 19.1.11.18 & 19.1.12

course, this ignores Aquinas' argument that he should not receive compensation for the exact amount of a loss, given the fact that the profit was only "virtual and potential" rather than real and actual. In other words, he never contributed the work to the community, and therefore does not deserve the full benefit as if he had.⁴⁶

Molina makes a second argument for charging interest based upon the precedent of doing so in the case of a forced loan. During Molina's time, the law permitted a king preparing for war to seize the money of merchants, but if he did, the king should pay the merchants some compensation for their loss.⁴⁷ Molina derives from this custom that there are occasions when the *damnum emergens* permits *lucrum cessans* and thus the occasions when a merchant lends his money likewise fulfills some civil obligation and is deserving of increased funds. The obvious predicament with this argument is that the former case is forced while the latter is not. The decision to loan money to another is a completely free act—a decision one creatively makes without constraint. But Molina does not consider the will. Molina's third argument falls prey to this same critique as he references the compensation a thief owes to his victim.⁴⁸ He cites Aquinas and his argument that a thief must restore more to the merchant than he stole, precisely for the reasons we considered above. Molina applies this same principle to a loan, doing so knowing that Aquinas would

⁴⁶ Piron says in his commentary on Olivi's *Treatise on Contracts*, 115: "No theologian or canonist [during Olivi's time] defends the idea of a guaranteed remuneration for merchants, since their profit is always justified by the risk and uncertainty involved."

⁴⁷ *De justitia et jure*, II.315.11: the king ought to make a *competentem aestimationem ultra sortem; etenim tunc nulla in eo sit illis injuria*.

⁴⁸ *De justitia et jure*, II.315.11: *licet pecuniain se plus non valeat, quam tantundem, ut tamen sub est industuae mercatoris, qui illam negotiationi destinavit, ex sperat lucrum, plus illi valet: atque hac ratione, si quis illam surto accipiat amercatore, tenetur illi de lucto cessante. Ut Thomas asserit, quia non solum damnum illi intulit in pecunia ipsa sed etiam in lucro, quod ex ipsa sperabat; ergo mutuans licite potest accipere ultra sortem pretium pro lucro cessante. Pater consequentia. Tum quia iacturam facit ultra sortem lucri illius in bonum mutuantis, ut per mutuum illi subveniat. Tum etiam, quoniam omnes concedunt, quando id, quod venditur, valebat plus vendenti, quam caeteris, posse venditorem accipere pro eo ultra commune pietium, quantum plus valebat, esto minus valeat ementi.*

not concur. Part of the reason as to why this is, we have already seen; the full reason why Aquinas would dispute his reasoning, we will consider in a moment.

Molina's fourth argument is more subtle, as he makes a comparison between a craftsman's tools and a merchant's money. He writes:

If someone borrows from the workman his tools, and thus he ceases to work as much, and the profit from his labor and energy ceases, the workman may lawfully demand not only the value of the use of the tools, but also, in addition, the amount of his own labor and energy. He was going to make a profit: therefore, by the same token, a merchant who had money destined for trading, and from it, as the proximate instrument of his industry, hoped for a certain profit, may lawfully demand an assessment of the profit that ceases to him from the fact that he gives it to the person requesting the loan in return.⁴⁹

As we have considered, there was an allowance for an extreme situation such as this for one to receive back more than he has lent. But Molina attempts to enhance the allowance from *damnum emergens* to *lucrum cessans*. He does so by comparing money to tools. Money, even as capital, is not analogous to tools; as discussed, one expends capital in the same manner as any money. It is consumed; one's power is dissolved in the act of spending it. Capital is still a consumable. Tools are not.⁵⁰ But the more questionable aspect of this argument, as with those previous, is that it is based on dubious analogues in contemporary examples rather than on theological or moral principles. Are the customs themselves based upon sturdy moral axioms? Olivi and Aquinas take their arguments upon fundamental metaphysical commitments, but Molina does not.⁵¹

⁴⁹ *De justitia et jure*, II.315.11: *si quis item mutuo petat ab opifice instrumenta artis, idque in causa sit, ut ille laborare omittat, et ut lucrum illi ex suo labore et industria cesset, sane licite poterit exigere non solum quantum valet usus instrumentorum, sed etiam insuper quantum suo labore et industria erat lucraturus: ergo pari ratione mercator qui destinatam habebat pecuniam ad negotiandum, ex eaque, tamquam ex instrumento suae industriae subjecto, sperabat certum lucrum, poterit licite exigere aestimationem lucri sibi ex eo cessantis, quod mutuo illam det petenti.*

⁵⁰ Aquinas famously makes this "consumption argument" in STh., II-II q. 78 a. 1 resp.

⁵¹ A necessary addendum comes insofar as a number of popular Catholic intellectuals attempt to justify the charging of interest on a loan because there is either work done in producing a loan incurred in offering one (see, for example, Gregg, *For God and for Profit*, 62). It must be briefly stated that work in and of itself is not completely revealing: work on what and for whom, needs to be asked. Of course, mental work is done in these situations, but if the work is not cultivating the common good, then the person does not have a claim to profit, whether assessed by commutative or distributive principles. As Pope John Paul II stated that "an effort to gain a profit which is not the result of the overall expansion of work and the wealth of society... is an abomination in the cite of God and of man," (*Centesimus annus* 43).

Molina's last argument—in which he equates the merchant's money with the craftsman's tools—introduced a substantially new idea into economic science, namely, that money has a price.⁵² Van Houdt summarized Molina's teaching as follows:

Money is the instrument a merchant uses to do business and make a profit. If he deprives himself of the instrument of his art for a certain period of time, he is entitled to demand a compensation. The amount of this compensation will be determined by the price which at a particular point of time is current at the local exchange market.⁵³

Fundamental to this idea is that money itself has a price based upon the collective demand for it—both in productive and non-productive enterprises, Molina specifies.⁵⁴ Some economic historians have argued that Molina's notion of opportunity cost, left “the door open for what we understand today as business money-lending.”⁵⁵ Whether or not it is true if Molina's arguments proved a historical cause for new institutions, it is certainly the case that modern financial techniques are predicated upon this idea of money's cost. Elizabeth Anscombe helps to adduce Molina's point—before ultimately denouncing it—in her 1975 essay “Philosophers and Economists”. Interpreting the classical economist Ricardo, she writes, “if two adjacent shops sell visibly identical articles, they probably can't charge different prices... other things being equal.”⁵⁶ She labels this “the shop-window” principle. This Ricardian Rent principle is well known and established—one that Anscombe, in her penetrating estimation, asserts is, “a formal principle” and “required if economics is to be a formal science at all.”⁵⁷ But she does not find this

⁵² See *De justitia et jure*, II.404.11

⁵³ Toon van Houdt, “‘Lack of Money’: a reappraisal of Lessius' contribution to the scholastic analysis of money-lending and interest-taking” in *The European Journal of the History of Economic Thought* 5.1 (1998): 1–35, 15–16.

⁵⁴ *De justitia et jure*, II.314.3: *Si quis pecunias habeas ad reficiendas domos et quo mutuo illas det, passurus est ruinam, aut detrimentum aliud domorum, factura haec domorum emergens damnus in bonis ipsius nuncupatur. Si item pecunias habeat ad triticum messis tempore in familia sustentationem emendum, et, quod illas mutuo det, empturus est illud postea longe maiori pretio incrementum illud, quod postea de bonis suis insumet, damnum ex mutuo emergens appellatur.*

⁵⁵ Alonso-Lasheras, *Luis de Molina's De Iustitia et Jure*, 136.

⁵⁶ Anscombe, “Philosophers and Economists: Two Philosophers' Objections to Usury,” in Geach and Gormally, *Faith in Hard Ground* (Exeter: Imprint Academic, 2008).

⁵⁷ *Ibid.*, 252.

cardinal principle particularly helpful—and it is for this reason: “It is very lacking in the power to describe any reality unless things have, so to speak, [already] got into a shop-window.”⁵⁸ Her point is slightly belabored by the fact that all money is always for sale. Yet the price to borrow money is actually what she is discussing—and her point is clear: there is no widespread price comparison for borrowed money unless it is regularized. “That [ie regularizing a return on money lent] is exactly what they have done by the creation of stock markets and money markets. And that money just as such should command a rate of interest is an important part of the works.”⁵⁹ The prevalence of investment opportunities has functionally rendered all money as capital; nearly all money now has an opportunity cost.

Compared to Aquinas, we see that these thinkers utilize different principles in discerning their ethical structures. But Olivi clarifies, critiques, and crystalizes Aquinas’ thought.⁶⁰ He asks the question of when an opportunity cost is a licit reason to receive back more funds. First, he states that the opportunity cost must not be theoretical, distant, or unplanned; rather, he says that the person must “already have it in their express intention and nearly in actual fact.”⁶¹ One must not merely have the ability to invest, but the intention, and the immediate intention at that, to do so.⁶² Second, he presumes that the creditor and debtor are friends (*amici*) and that the former is acting out of interest for the other: “If [the creditor] should give a loan absent the need of, compassion for, and the

⁵⁸ Ibid.

⁵⁹ Ibid.

⁶⁰ See Piron, “Introduction” in *Treatise on Contracts*, xli–xliv.

⁶¹ Olivi, *Quodlibet* I.17.15. He repeats this in *Treatise on Contracts* III.6.64.

⁶² For the same insight, see Oreste Bachizzi and Fabio Reali, *Oikonomia of Francesco* (Sora: L’Altro, 2020), 4.1. They assume that the difference between Aquinas and Olivi is more of a break between the two rather than a development of other principles.

insistent request of his friend, then—by that very fact—they are convicted of wanting to make use of a usurious contract, rather than true capital in commerce.”⁶³

In an interesting reversal of the Deuteronomical permission to charge interest on a loan to an alien, though never to a brother, for Olivi, it is not the alien to whom one should charge interest but only the friend.⁶⁴ While this may seem backwards at first, the reasoning is quite straight forward. For Olivi, lending only to friends in this way helps to ensure that they are not convicted of wanting to make use of a usurious contract rather than true capital in commerce or profitable purchases. The loans could not be for profit but for the sake of friendship. If one was attempting to use money productively apart from investment, then this revealed a perversion of the economic order, which, as he often said in his treatise, is for the sake of building up the common good.

Creating Modern Moneys

It is perhaps not unfair to say that genuine opportunity costs would be more rare during Olivi’s time—and certainly would be rare according to his criteria. But many argue that is not the case today. As we have seen Anscombe and Finnis point out, the stock market and money markets create a constant opportunity cost within today’s economy. There is, however, a more fundamental shift in the form of modern money; there are not merely more opportunity costs but the opportunity costs are enshrined in the very form of modern money. I am, of course, speaking about national bank money.

National bank money is built on fractional reserve banking. Fractional reserve banking is a system in which only a fraction of bank deposits are backed by physical

⁶³ Olivi, *Quodlibet* I.17.16

⁶⁴ Deut. 23:20: “You may charge a foreigner interest, but not your brother, so that the LORD your God may bless you in everything to which you put your hand in the land that you are entering to possess.”

currency on hand and available for withdrawal.⁶⁵ With fractional reserve banking the concept of paying a bank to store one's money has disappeared. Instead, the bank courts the person to lend his money. The purpose of doing so is precisely to be able to lend out more money on which the bank can charge interest and earn a profit.

A central bank accompanies this process by setting a competitive interest rate for commercial banks. The members of the central bank board do this by utilizing the principles of fractional reserve banking. In the case of the US Federal Reserve, when the governors intend to increase the money supply—the ability for people to obtain credit—they will purchase assets on the market. This means that they will buy stocks and bonds from commercial banks. Because these banks have traded abstract financial instruments for currency, they can then offer more lines of credit. With greater supply, prices go down, thus lowering interest rates.

Anscombe and Finnis were not wrong to identify the stock and money markets as institutions that always enable one to have access to a productive use of money, but that is an accidental property of the currency itself. With modern fiat currency, however, the relation is not accidental but intrinsic. The government first prints the money so there is no other use of the money-item than in exchange. Then utilizing the ubiquity of fractional reserve banks, the Federal Reserve sets the price of money through orchestrating its interest rate—what we may call money's opportunity cost or its price. This is already a clear break from Oresme's ideal of sound money. But there is, of course, another way that modern states create an inherent price of money and that is through government bonds—the availability of buying government debt. So long as the state's fiat currency is still

⁶⁵ For a metaphysical evaluation of FRB, see Michaël Bauwens, "The Ontology of Fractional Reserve Banking" in *Journal of Institutional Economics* 2.13 (2017): 447–466.

valuable, so are the bonds. This creates what many have called “risk-free” investments; the only risk that remains is the toppling of the state itself or a monumental regime change. The price of money—or what we could call a constant and minimum opportunity cost—is set by the very entity that created it in the first place. Modern fiat currency is designed as an investment vehicle, not a mere measure of value.

Creating Capital Money

Currently, the United States dollar is the dominant global reserve currency.⁶⁶ Throughout its history the United States has had a turbulent relationship with precious metal money. It was agreed by the founding fathers and inscribed in the constitution that: “No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts.”⁶⁷ Yet the manipulation of these precious metals began early on. For instance, the Coinage Act of 1792 declared that the ratio of gold to silver was 1:15—a ratio that Arthur Nussbaum said, “was mere pronouncement.”⁶⁸ Setting this standard enabled an easy conversion between gold and silver, but it also began to cause problems as the ratio eventually overvalued the price of gold leading to early currency wars with other nations and the slow disappearance of silver from the market. With silver becoming a troublesome comparison, the US congress ultimately signed into law the 1873 Coinage Act, which fixed the price of an ounce of gold to 20.67 USD, setting aside the second place metal altogether. This provided a further conceptual break with gold. No longer

⁶⁶ See the Committee on the Global Financial System (2020) working paper 65 “U.S. Dollar Funding: An International Perspective” in BIS CGFS Papers No 65, which records approximately 60% of world governments and central banks’ reserves are in USD.

⁶⁷ United States Constitution, Article I, Section 10, Clause 1: “Limits on Using Legal Tender”.

⁶⁸ Arthur Nussbaum, *A History of the Dollar* (New York: Columbia University Press, 1957), 47.

would the market-value of gold impact the price of the dollar; rather, the state declared its value.

But actual gold on the market became increasingly scarce. While the US, at this point, did not have a national bank, the market was dominated by banks. Bank notes and lines of credit through fractional reserve banking became common place and standard for all quotidian transactions. With the free market in full swing, certain bankers grew well beyond the size of the rest. What began to change the state of affairs were two bank runs of 1893 and 1907. In both of these cases, city banks, in particular, but rural and country banks as well, suddenly hit their upper limit of lendable funds. The reserve ratio was slowly dwindling down around 20%, sometimes less, meaning that banks would only keep \$1 of gold for every \$5 of paper money in circulation—and still the ratio was not extreme enough to meet demand. Once the reserve quota was hit, the banks would continue to lend money to people and print more bank notes—they merely refused people to redeem their paper for gold, which caused a legitimate scare.

These worries led Congress to investigate the current banking system. The Pujo Report, the result of Congress' investigation, concluded the following:

There is an established and well-defined identity and community of interest between a few leaders of finance, created and held together through stock ownership, interlocking directorates, partnership and joint account transactions, and other forms of domination over banks, trust companies, railroads, and public-service and industrial corporations, which has resulted in great and rapidly growing concentration of the control of money and credit in the hands of these few men.... To us the peril is manifest.⁶⁹

⁶⁹ U.S. Congress, *Report of the Committee Appointed Pursuant to House Resolutions 429 and 504 to Investigate the Concentration of Money and Credit*, House Report No. 1593, 3vols. (Washington, D.C., 1913), III: 129.

“But,” the report continued, “the remedy is not so easily found or applied, having due regard, as we should, to the encouragement of enterprise.”⁷⁰ This was the same predicament that Woodrow Wilson saw, writing:

The great monopoly in this country is the monopoly of big credits. So long as that exists, our old variety and freedom and individual energy of development are out of the question. A great industrial nation is controlled by its system of credit. Our system of credit is privately concentrated. The growth of the nation, therefore, and all our activities are in the hands of a few men.⁷¹

The Federal Government found itself in a difficult position. On the one hand, the free banking enterprise had created a monopoly on the economy; an elite group of unelected citizens had immense power over the country’s population. On the other hand, Congress was committed to commerce and committed to credit. The solution to this conundrum was the founding of the Federal Reserve System.

The Federal Reserve System is, in summary, a government-created, government-sanctioned, private banking syndicate, charged with upholding and furthering the public interest in the economic and monetary realm. The Federal Reserve Act of 1913 created a board of seven members to govern the system. As the Supreme Court ruled in 1982, the banks within the syndicate are, “independent, privately owned and locally controlled corporations... [despite] being held to be federal instrumentalities.”⁷² The syndicate was charged with maintaining, “long run growth of the monetary and credit aggregates commensurate with the economy’s long run potential to increase production, so as to promote effectively the goals of maximum employment, stable prices, and moderate long-term interest rates.”⁷³ As mentioned, the Federal Reserve Bank utilizes fractional reserve

⁷⁰ Ibid.

⁷¹ Woodrow Wilson, *The Public Papers of Woodrow Wilson* ed. Ray Stannard Baker and William E. Dodd. Vol 1 *College and State* (New York: Harper & Brothers, 1925), 307.

⁷² “*Lewis v. United States*”, 680 F.2d 1239 (Supreme Court 1982).

⁷³ This three-pronged charge was clarified and confirmed in the “Federal Reserve Reform Act of 1977” Public Law 95-188—NOV. 16, 1977.

banking to achieve this end. When the governors intend to increase the money supply—the ability for people to get credit for the increased circulation of dollars in the economy—the Federal Reserve will purchase assets on the market—what it calls open market operations.

According to the Federal Reserve Act of 1913, the central bank of the United States was only able to hold a 40% gold to currency ratio—meaning that its gold stock had to be, at least, 40% of the total amount of paper bills in circulation. The treasury nearly hit this limit in 1933 when the president issued an emergency declaration—Executive Order 6102—stating: “I, Franklin D. Roosevelt, President of the United States of America, do... hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates within the continental United States by individuals, partnerships, associations and corporations.” He had rendered the ownership of gold bullion, up to an aggregate \$100, and, if in excesses, fined up to “\$10,000, or... imprisoned for not more than ten years, or both.”⁷⁴ The limitation on gold ownership in the United States was repealed after President Gerald Ford signed a bill legalizing private ownership of gold coins, bars, which went into effect December 31, 1974.⁷⁵

The US government, however, did not have the power to suppress the bullion markets in other countries, which merely created disparities in foreign trade—the very thing that the historical gold standard had attempted to overcome. Thus further

⁷⁴ Section 3, Executive Order 6102. The exceptions to this punishable offense were listed as follows in Section 2 of the document: “(a) Such amount of gold as may be required for legitimate and customary use in industry, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold. (b) Gold coin and gold certificates in an amount not exceeding in the aggregate \$100 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins. (c) Gold coin and bullion earmarked or held in trust for a recognized foreign Government or foreign central bank or the Bank for International Settlements. (d) Gold coin and bullion licensed for other proper transactions (not involving hoarding) including gold coin and bullion imported for reexport or held pending action on applications for export licenses.”

⁷⁵ Act of Congress, codified in Pub.L. 93–373.

technocratic strategizing was required. An international commission met at Bretton Woods in 1944 to envisage the new economic order for the world after World War II. Among various policies designed by the commission, they set a new price of gold to \$35 per ounce—but it also pegged every other state-issued currency to the United States dollar. Where the bullion market was unsuppressed and still active, the de facto price of gold began rising, climbing even as high as \$41.00—especially as the US Treasury continued to print more paper dollars. This disparity between the legal and market prices created an easy opportunity for price manipulation. Finally, on 5 August 1971, President Richard Nixon announced a new plan to suspend the convertibility of the dollar into gold. The gradual movement away from gold was finally completed by Nixon and upheld ever since: the creation, distribution, and value of money was fully in the hands of a central power.

Oresme’s major concern that a central planner would adjust the monetary supply certainly came true at this stage in history. In 1971, there were 600 billion USD in the economy (M2).⁷⁶ As of August 2022, there are \$21.711 trillion.⁷⁷ No doubt this staggering increase in the money supply has substantially lessened the value of every dollar, but, more importantly, it began to pervert the market movements as well as market institutions. Milton Friedman once famously said that money creation, if immediate and proportionally distributed, would not affect the economy.⁷⁸ While this could be true, contemporary history has not offered us that example. The creation of new money by the

⁷⁶ Money supply in the United States is tracked by several different categorizations of liquid currency. M2, specifically, corresponds to all hard currency, checking accounts, savings deposits (including money market deposit accounts), small-denomination time deposits (time deposits in amounts of less than \$100,000) less individual retirement account (IRA) and Keogh balances at depository institutions, and balances in retail money market funds (MMFs) less IRA and Keogh balances at MMFs.

⁷⁷ Board of governors of the Federal Reserve System, “The Fed - Money Stock Measures - H.6 Release - September 27, 2022” accessed 6 October 2022. <https://www.federalreserve.gov/releases/h6/current/default.htm>

⁷⁸ M. Friedman, “The Role of Monetary Policy” in *American Economic Review* 58.1 (1969): 1–17.

central banks has historically been distributed to financial institutions and large corporations. Take, for example, the 2011 report from the United States Government Accountability Office on the government funding of companies after the 2008 economic crash.⁷⁹ Not only did the Federal Reserve create \$700 billion to buy toxic assets from banks to offer economic stability, but it also gave loans to large businesses—not individuals, medium, or small businesses—summing over \$16 trillion at an interest rate of 0.01 percent. The four largest recipients, Citigroup, Morgan Stanley, Merrill Lynch and Bank of America, received between \$1–2 trillion each. For another example, one could look to quantitative easing, a monetary technique in which a central bank engages in conventional open-market operations such as buying financial assets, e.g. stocks and bonds, from commercial banks and other financial institutions in order to circulate greater liquidity into the market.⁸⁰ Over the course of the last thirteen years, the US Federal Reserve has bought \$9 trillion worth of assets. In March 2020 alone the Federal Reserve added \$4 trillion to its balance sheet for the purchase of government-backed bonds and various securities. But why is this form of distribution problematic?

In the nineteenth century, the Irish-French economist Richard Cantillon formed an economic law about the progression of inflation.⁸¹ The Cantillon Effect explains that the beneficiaries from the expansion of the money supply are the first recipients of the new money, who are able to spend the funds before they have caused prices to increase.

⁷⁹ United States Government Accountability Office, *Federal Reserve System: Opportunities Exist to Strengthen Policies and Processes for Managing Emergency Assistance*. Report to Congressional Addresses GAO-11-696 Washington DC, July 2011: <https://www.gao.gov/assets/gao-11-696.pdf>. See pages 17, 131, and 150.

⁸⁰ For up-to-date accounting of money printed for QE, see the Atlantic Council's "Global QE Tracker" <https://www.atlanticcouncil.org/global-qe-tracker/>.

⁸¹ The Cantillon Effect has suffered its fair share of misunderstandings, most of which have been addressed and clarified by Arkadiusz Sieroń in his *Money, Inflation, and Business Cycles: The Cantillon Effect and the Economy* trans. Martin Turnau (London: Routledge, 2019). Yet the larger predicament is not misunderstanding or even disagreement (as no one does), but rather the dismissal in the face of other economic values.

Whoever can spend the newly created money first, or earlier, does so without the subsequent price adjustments to the market. Those next receiving the money are then able to spend it facing a small increase in the price level. As the money is further spent, the price levels of assets rise until the later recipients suffer a reduction in the real purchasing power. In short, by printing and distributing money through specific corporate channels, central authorities have not only diminished the value of the common man's savings but have drastically increased the wealth-gap between those associated with the state and those who are not.⁸² This was dramatically seen during the COVID-19 crisis, when between March 2020 and April 2021, the base monetary supply in the US increased by 29.9% and US billionaire wealth increased by 61.9%.⁸³ Likewise, the top five Wall Street banks—JP Morgan Chase & Co, Goldman Sachs, Bank of America, Morgan Stanley, and Citigroup—earned an *additional* \$51 billion that year, compared with the same quarters in the year prior, according to company earnings statements.⁸⁴

Because the central bank's monetary system is dependent upon commercial banks, these private companies will always be infused with an increase of cash should they need it. Instead of commercial activity being subject to the effects of their decisions, as well as the natural seasons of drought and famine, bumper-crop and surplus, the central bank ensures that they remain stable institutions within the economy. The decisions of where to distribute the new money are made and implemented by those who govern the financial system and therefore do not feel the effects of their policies—again, just as Oresme

⁸² See, Board of governors of the Federal Reserve System, "The Fed - Money Stock Measures - H.6 Release - August 24, 2021" accessed 8 October 2021. <https://www.federalreserve.gov/releases/h6/20210824/>. March 2020 to August 2021.

⁸³ Chuck Collins, "U.S. Billionaires Got 62 percent Richer During Pandemic. They're Now Up \$1.8 Trillion." Published by the *Institute for Policy Studies* 24 August 2021: <https://ips-dc.org/u-s-billionaires-62-percent-richer-during-pandemic/>.

⁸⁴ Matt Scuffham, "Wall Street banks set to profit again when Fed withdraws pandemic stimulus" in Reuters, 18 October 2021: <https://www.reuters.com/business/wall-street-banks-set-profit-again-when-fed-withdraws-pandemic-stimulus-2021-10-15/>

predicted. Of course, this comes at the great expense of the humble worker: as his money fundamentally serves as the measure and reward of his labor, undercutting money's value retroactively devalues the reward of his work.

Certainly, there are responses to these criticisms, but responses that do not challenge the economic claims.⁸⁵ The Keynesian, Neo-Keynesian, and Monetarist contingencies justify these techniques because they help to stabilize prices and maximize employment. Both of these claims are debatable but are well outside the scope of this thesis. What is squarely in the middle of it is that the manipulation of the modern state system is unjust as it reallocates wealth disproportionately. Oresme's argument against centrally controlled currency, that it is beyond the bounds of prudence, finds demonstrable proof in modern state money.

The movement away from sound money was a movement toward a greater ubiquity of money. This, however, is not an accidental phenomenon; as I have suggested in this thesis, the artifacts of a society are representations of its value. A people is known through what it loves. A people, as Augustine said, is a group of "reasonable beings bound together by a common agreement as to the objects of their love."⁸⁶ This group does not bind together merely because they find that they have something in common but precisely to be able to better obtain the object of their love.

There are three modes of love, which differ according to the different status of love's object: There is sorrow, when what is loved is absent and impossible to obtain.

⁸⁵ There are other predicaments of regularized monetary printing that ought to be mentioned briefly. One finds lower quality work occurs in high inflationary economies as the incentive to finish jobs quickly overcomes the incentives for high quality production. Related to this problem, a rapidly increasing money supply penalizes thrift and encourages consumption as money is no longer an effective store of value. As a result, instead of utilizing money as a store of value, people turn to debt purchases rather than savings—which, in our modern Fractional Reserve System, in which banks can loan out dollars up to ten times those physically held, further stresses the money supply.

⁸⁶ Aug., *De civ. Dei* 19.24

There is desire, when the beloved object is absent, and yet union with it is possible. And there is enjoyment when the object of love is had in the mode proper to it.

Desire implies a project of love, a planned movement to obtain it. Desire has its strategies. Thus, if there is a social love—an object that the society as a whole longs to obtain—then the members of the society will form institutions to achieve that end. The institutions are the plans, the regularized strategies by which such love is fulfilled. Social institutions, then, are precisely for the sake of moving from desire to enjoyment while warding off sorrow. If a small town has an Opera house, that institution reveals that the town's people love music—or at least the opera. It said no to other possible uses of power and property so as to realize that which it loved more.

The prioritization of a fiat money system developed out of a desire to expand commerce and trade. Though Pujo and Wilson bemoaned the monopoly control of the credit market, they could not think of returning to a metallic currency. For them, it was not an option. Pujo desired “the encouragement of enterprise” while Wilson attributed credit to “the growth of the nation.” Gordon Wood understood this mentality to be at the heart of America, even in the early years: “Far from sacrificing their private desires for the good of the whole, Americans of the early Republic came to see that the individual's pursuit of wealth or happiness (the two were now interchangeable) was not only inevitable but justifiable as the only proper basis for a free state.”⁸⁷ Elsewhere he says, “They were a people totally absorbed in the individual pursuit of money.”⁸⁸ The perennial complaint against sound money is that it restricts opportunities of growth and expansion.

⁸⁷ Gordon Wood, *The Idea of America* (New York: Penguin Press, 2011), 75.

⁸⁸ Gordon Wood, *The Radicalism of the American Founding* (New York: Vintage Books, 1993), 327.

In some ways, these are not false claims. Oresme’s precious metals do slow growth; but they better preserve justice.

The magisterium of the Catholic Church has denounced volatile currencies and demanded countries to protect stable ones. In *Gaudium et spes*, the council fathers wrote: “Care should also be taken lest the economically weak countries unjustly suffer any loss from a change in the value of money.”⁸⁹ Likewise, Pope John Paul II said that the Church, “presupposes [that the State offers] sure guarantees of individual freedom and private property, as well as a stable currency and efficient public services.”⁹⁰ The reason is clear: the goal of politics is not wealth and growth, but peace and justice. As Aquinas famously taught, “the end of politics is to live according to virtue.”⁹¹ Once money has universally taken on a price based upon an understanding that all money is capital, we see a degradation of society. As Aquinas writes in the same treatise:

If the citizens themselves devote their life to matters of trade, the way will be opened to many vices. Since the foremost tendency of tradesmen is to make money, greed is awakened in the hearts of the citizens through the pursuit of trade. The result is that everything in the city will become for sale (*venalia*); when loyalty will wane the way opened to all kinds of deception; each one will work only for his own profit, despising the public good; the cultivation of virtue will fail since honor, virtue's reward, will be bestowed upon the rich. Thus, in such a city, civic life will necessarily be corrupted.⁹²

A return to a stable currency, to sound money, as the tradition has commended, takes a fundamental change in society. Sound money is not a technocratic policy proposal to better achieve the same ends that our society currently has. Electing to return to sound money would only arise as a decision of a people that fundamentally desire something else. People would have to desire justice and peace more than capital and commerce for a

⁸⁹ *Gaudium et spes* 70. According to Steve Hanke and Charles Bushnell, “Venezuela Enters the Record Book: The 57th Entry in the Hanke-Krus World Hyperinflation Table” in *Studies in Applied Economics* 69.4 (2016): 1–25, hyperinflation is the main driver of failed currency—a predicament that has ailed 56 countries since the end of World War I whereas there was only one occasion in recorded modern history prior to that.

⁹⁰ *Centesimus annus* 48.

⁹¹ Aquinas, *De regimine*, I.15.6

⁹² Aquinas, *De regimine* II.3.5

new monetary institution to arise and stabilize. The Catholic tradition, weighing in on what would be a more just social order, has called people to different ends. This is not a unique insight of the Catholic Church. But the principles are clear within it.

Conclusion

Sovereignty and Sacraments

In the last paragraph of the book of Leviticus, the law addresses the issue of money. The code specifies that “every valuation shall be according to the shekel of the sanctuary: twenty gerahs shall make a shekel” (Lev. 27:25). This standardized weight system enabled people to find a precise and just exchange rate.

It was a common occurrence for all legal payments to be given and received in precious metals throughout the Near East, as in the Code of Ur-Nammu, written around 1930 BC, which records penal reparations such as, “If a man knocks out the eye of another man, he shall weigh out $\frac{1}{2}$ a mina of silver.”¹ As we saw in the first chapter, an authority’s claim to a particular item incentivized people to use that as a medium of exchange more frequently. When people need a particular commodity to make payments within their temple-states (e.g. to pay taxes, tithes, or reparations) they also begin to use the item in more mundane exchanges. Historically speaking, temple states made the use of money more common; their demand for a particular medium of exchange is considered a precursor to minted coinage. But Leviticus did not legislate that people predominantly pay taxes and reparations in a particular commodity. Whereas the reparations for a damaged eye for the Code of Ur-Nammu was half a mina, the Levitical code specifies, “an eye for eye” (Lev. 24:20). And whereas taxes were specified in gold and silver in the surrounding areas, Leviticus states, “If a man wishes to redeem any of his tax [with silver], he shall add a fifth to it” (Lev. 27:31). If one wanted to pay their tax to the temple

¹ Martha T. Roth, *Law Collections from Mesopotamia and Asia Minor*, second edition (Atlanta, GA: Scholars Press, 1997), 18. Tracking through her texts, one can see a common monetary translation that occurred for all restitutions of this type.

authority using silver, they would have to give the equivalent value, plus twenty-percent.²

It seems that already in Leviticus, there is an attempt to suppress the ubiquity of money.

This edict comes, of course, in the context of discussing political authority and its power. The law develops in Deuteronomy to speak not only of the priestly class but also the kings. Looking ahead to the time when the people will ask for a king, the author of Deuteronomy specifies that the future king,

must not multiply horses for himself, or cause the people to return to Egypt in order to multiply horses, since the LORD has said to you, ‘You shall never return that way again.’ And he shall not multiply wives for himself, lest his heart turn away; nor shall he greatly multiply for himself silver and gold. “And when he sits on the throne of his kingdom, he shall write for himself in a book a copy of this law, from that which is in the charge of the Levitical priests; and it shall be with him, and he shall read in it all the days of his life, that he may learn to fear the LORD his God, by keeping all the words of this law and these statutes, and doing them,” (Dt 17:16–19).

Unlike other kings, he will not engage in empire building—either through a standing army with force or through marriages with pagan nations; he is not to create his own law and thus control the people with it, but to conform his own life to the Mosaic law. Lastly, he is not to amass money. The reason for this is given: “That his heart may not be lifted up above his brethren,” (Dt. 17:20). At a national level, there is a strong incentive to issue regulated currency for the sake of control.

This is on display in the first book of Maccabees, which documents the Israelite society after the invention of minted coins. When Simon Maccabeus sent an olive branch to Demetrius I Soter, the Seleucid King of Syria, the latter replied:

All the grants that we have made to you remain valid, and let the strongholds that you have built be your possession. We pardon any errors and offenses committed to this day, and cancel the crown tax which you owe; and whatever other tax has been collected in Jerusalem shall be collected no longer (1 Macc 13:38–39).

² John E. Hartley, *Leviticus*, vol. 4, *Word Biblical Commentary* (Dallas: Word, Incorporated, 1992), 27:31; Baruch A. Levine, *Leviticus: The JPS Torah Commentary* (Philadelphia: Jewish Publication Society, 1989), 27:31.

By providing the people with a medium of exchange to use in their transactions, a central authority can demand some of it back—something more difficult to do if taxes are in kind (ie. agricultural produce). Antiochus VII, having assumed the throne after his father Demetrius, sent a letter to Simon reiterating the promise of his father to cease collecting these taxes, and even extending a further liberty:

I confirm to you all the tax remissions that the kings before me have granted you, and release you from all the other payment from which they have released you. I permit you to mint your own coinage as money for your country, and I grant freedom to Jerusalem and the sanctuary (1 Macc 15:5–7).

This passage implies a conceptual link between the minting of coins and political freedom, and thus between the use of a foreign power’s money system and servility. Antiochus VII and the Israelites to whom he wrote understood that the use of a regulated currency was a participation in and a subservience to the one who regulates that currency.³

In the New Testament, Christ himself throws into question the justice of a poll tax when he tells Peter to pay a tax only so as “not to cause scandal (σκανδαλίζω)” (Mt 17:27); otherwise, “the children,” he says, “are free.” This centralized monetary technique of indirect taxation was condemned by Thomas Aquinas in the middle ages as a mode of enslaving a population.⁴ Tertullian likened Caesar’s tax with Caesar’s killing of Christians.⁵ And it is no accident that the writer of Luke’s gospel depicts Jesus Christ born during a poll-tax (Lk 2:1). The Venerable Bede, whose interpretation of the passage was later used in a redaction of the *Glossa Ordinaria*, wrote:

³ Devin Singh discusses this same connection in *Divine Currency*, 1–26.

⁴ Thomas Aquinas’ *Commentary on John* 8.1201; see Chapter 1 fn7 in this thesis.

⁵ Tertullian, “De Fuga in Persecutione,” in *Fathers of the Third Century: Tertullian, Part Fourth; Minucius Felix; Commodian; Origen, Parts First and Second*, ed. Alexander Roberts, James Donaldson, and A. Cleveland Coxe, trans. S. Thelwall, vol. 4, *The Ante-Nicene Fathers* (Buffalo, NY: Christian Literature Company, 1885), 124.

... Augustus peacefully reigned 12 years around the birth of Christ, so that the prophecy would be fulfilled to the letter: “They would beat their swords into plowshare and their spears into pruning hooks; nation will not lift up sword against nation” [Is. 2.4]. Christ desired to be born in the most peaceful time because he greatly sought and loved peace, for he watches over the lovers of peace. He desired that the disciples, whom he was going to send out preaching, would be able to also travel and be secure anywhere and be protected under the formidable shadow of the Roman name, and secure from the imminent troubles.

With the Lord about to be born, the world was to be taxed (*describitur*);⁶ because he appeared in the flesh, he was consecrating (*ascriberet*) his elect for all of eternity. That man, in whom the name of Augustus is truly fulfilled, is able to increase his people, and he taught his own censors to distinguish people not by a sacrifice of money but by their oblation of faith. With the old census of the synagogue being destroyed, the new census of the Church is prepared, which does not demand bloody sacrifices but removes them, and is not identified by one coin but by one faith.⁷

This gloss, attributed to Bede who was living just outside the reach of the Carolingian Empire, heavily relies on monetary imagery to create a contrast between Augustus and Christ. In the first paragraph, Bede seems to praise Augustus for bringing peace to the world—and to a real degree Augustus did. Christ chose this time without war so that his disciples could spread the gospel message across borders. But crucially, according to Bede, the peace of the empire was a false peace and not to be directly identified with the peace of the kingdom of Christ. The *pax Romana* depended on oppressive tax measures rather than a unity in love. This idea clearly emerges from his word choice. Instead of

⁶ *Describere* during the middle ages has a quaternary meaning of a “census” or a “tax” while its primary was to “describe” or “delineate.” Given the number of monetary allusions in this paragraph (see below) and the clear understanding of Bede that the census was a poll tax, I have elected to translate *describere* as to tax. This was also the dominant interpretation of the fathers. For this see Thomas Aquinas, *Catena Aurea: Commentary on the Four Gospels, Collected out of the Works of the Fathers: St. Luke* ed. John Henry Newman. Vol. 3. (Oxford: John Henry Parker, 1843), 2:1–5.

⁷ Rusch: *Biblia latina cum Glossa ordinaria*, ed. A. Rusch, Strasbourg, 1480, t. 4, Erfurt. Electronically published 1 January 1970. Accessed February 2020. <https://gloss-e.irht.cnrs.fr/> Additional manuscripts were reviewed.

Augustus duodecim annis circa nativitatem Christi in pace regnavit ut etiam ad litteram completum videatur illud propheticum: “Conflabunt gladios suos in vomeres et lanceas in falces nec levabit gens contra gentem gladium”. Pacatissimo autem tempore voluit Christus nasci, quia pacem magnopere quesivit et amavit, quia pacis amatores semper invisit. Voluit etiam ut discipuli quos ad predicandum missurus [passim: missus] erat quocumque vellent securi transire possent et ab imminentium seditonum fervore tremenda Romani nominis umbra protegerentur. Nascituro Domino describitur mundus, quia ille apparebat in carne qui electos suos ascriberet in eternitate. In quo nomen Augusti vere impletur qui suos augere sufficiens, censoribus sue professionis non pecunie, sed fidei oblatione signare precepit, quia dum profectio secularis obtenditur spiritalis impletur. Abolito autem censu Synagoge vetusto, novus census Ecclesie paratur qui tormenta non exigit sed aufert, qui non uno numismate sed una signatur fide.

tallying the people, *describitur* (taking a census or a tax) as does Augustus, Christ names, *ascriberet* (consecrates) them; instead of the tax collectors taking money (*pecuniae*), Christ looks upon the authenticating mark (*signare*) of the worshiper's oblation. Instead of being oppressed with a heavy toll, Christians are able to withstand torments through their recognizable stamp (*signature*) of faith. Thus, tacit in these images is a normative judgement against the way sovereigns control their people.⁸

This centralized power over money is dangerous, so warned Oresme, centuries later, but the power to quantify and control is available to anyone with money. Judas' betrayal of Christ for money at the end of the gospels is what parallels the beginning with Christ's birth under a poll tax. Money's univocal power and calculable worth has allowed for an immense expansion of goods and the quality of life for many. But money has likewise enabled reality to be overlooked and replaced by a false legal narrative, which, I have argued, is a Christian concern with its design. Through money, a society has the ability to bind together through impersonal means; individuals are able to sustain themselves not through friendship but through blind exchange. This begins to pervert one's thinking of reality, ownership, friendship, and gift; it ushers people into a world of quantity instead of qualities.

Money enables people to create a contract that draws them together in a limited manner rather than in charity. Even the money-item—whether paper, gold, or a blip on a screen—has a true identity outside of the monetary conventions. In and of itself, it is not money; only the convention of the people render it as such. Money is an outward sign of an invisible, conventional power. The power itself is not generated merely by the

⁸ Many church fathers used this distinction, which is the subject of Singh's book, *Divine Currency*. While Singh assumes the parallel that the fathers make as a positive affirmation of imperial coinage, the assumption is difficult to defend amidst the contexts, comparisons, and criticisms of the coinage in the literature.

contracting individuals but by the society at large and administered by the government, who, by fiat, informs us of the new identity of the object. As Hobbes, and many others, have pointed out, money then serves as the blood of a society, with the financial sector as the heart, that not only gives life to the community but binds it together through ushering them into the same fiction.

Such a description of money makes an obvious parallel to the Eucharist. The Eucharist, as with all sacraments, is an outward sign of an invisible grace, truly effecting what it signifies, becoming what it is through the consecrating power of the priest, and forming the body of believers by actually binding together in Christ's blood. But whereas the Eucharist, in Catholic theology, does this actually and ontologically, money only does so nominally and accidentally.

Yet if anything good can be redeemed, the Catholic tradition is bent on doing so.

As Augustine wrote:

Wherefore, let those who say that the doctrine of Christ is incompatible with the government's well-being, give us an army composed of soldiers such as the doctrine of Christ requires them to be; let them give us such subjects, such husbands and wives, such parents and children, such masters and servants, such kings, such judges—in fine, even such taxpayers and tax-gatherers, as the Christian religion has taught that men should be, and then let them dare to say that it is adverse to the government's well-being; yea, rather, let them no longer hesitate to confess that this doctrine, if it were obeyed, would be the salvation of the commonwealth.⁹

This thesis has only begun the exploration into the redemption of money within Catholic theology, offering a theoretical defense of currency and capital that needs further development. While money can easily destroy friendships and peace—whether from the technocratic level of Caesar or the personal level of Judas—its purpose, according to the gospels is said to be the opposite. Christ in the gospel of Luke says: “I tell you, make friends for yourselves by means of unrighteous mammon, so that when it fails they may

⁹ Aug., Ep. 138.2.15

receive you into the eternal habitations” (Lk 16:9). As we have seen, the tradition understands unrighteous mammon to refer to all riches, not just misbegotten gains.¹⁰ So Christ’s charge is to use money to make friends, and eternal friends at that. As Augustine said, commenting on the same passage, “who are they that shall have everlasting habitations, but the Saints of God.”¹¹ If the normative purpose of money is to make people saints, then exchanges must lead to the particular care of the other with whom one is exchanging.

Just as the gospel writers bookended the life of Christ with monetary scenes, so the substance of money, gold, appears in both the first and the last chapters of the Bible. Genesis records that “A river flowed out of Eden to water the garden, and there it divided and became four rivers. The name of the first is Pishon; it is the one which flows around the whole land of Havilah, where there is gold; and the gold of that land is good,” (Gen. 1:10). And there is something poetic in Revelations’ inclusion that the street of the New Jerusalem would be paved in gold (Rev. 21:21). Similarly poetic is George MacDonald’s telling of Mr. Wingfold’s fictional ascent to heaven, during which Wingfold is amazed when he finds that in heaven, “No man paid, and no man had a book wherein to write that which the other owed!”¹² These fantastic images capture the prophecy of Isaiah: “Come, all you who are thirsty, come to the waters; and you who have no money, come, buy and eat! Come, buy wine and milk without money and without cost” (Is 55:1). If heaven is to be wherein man is to enter God Himself, who is Love, then there is no need for exactitude or for fear of future provision. Yet in between Eden and Eternity there is a monetary

¹⁰ For instance, Aug., *Serm.* 113 “The mammon of iniquity is all the riches of this world.” See also Chapter 1, fn6.

¹¹ Aug., *Serm.* 113.1.1

¹² George MacDonald, *Thomas Wingfold, Curate* (Toronto: Copp, Clark & Co: 1876), ch. 46.

reality—and a reality that can participate in our redemption, as the presence of gold in Revelation seems to poetically suggest.

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