



CORPORATE CHRISTIANITY AND CONSERVATIVE INC.

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"In the market economy the individual is free to act within the orbit of private property and the market. His choices are final" (Ludwig von Mises, [*Human Action*](#)).

When we read this text from the grandfather of modern Neo-Liberalism (which manifests itself, in the United States, in the movements called Libertarianism and Neo-Conservatism), we are not surprised. Von Mises, culturally Polish and politically Austrian, but a practical atheist in his political philosophy, is concerned to render absolute, the only absolute (other than "market forces") he seems to acknowledge as having any relevance for the affairs of mankind, the volitional determination of individuals. Nor are we surprised when he unfolds his basic conception of reality and applies it to the public actions of individuals.

Referring to the entire doctrinal and moral activity of Christian civilization and comparing it to his idea of the autonomous, self-interested, and willful individual, von Mises states, "In urging people to listen to the voice of their conscience and to substitute considerations of public welfare for those of private profit, one does not create a working and satisfactory social order [emphasis mine]."

In one sweeping statement, von Mises has negated Christendom and every social, economic, and moral teaching of the Catholic Church; this statement, also, renders "inoperative" the entire Classical moral and philosophical tradition.

Such statements by the hero of contemporary Libertarianism and Neo-Conservatism (read, [*Neo-Jacobinism*](#)), need not disquiet us at all if we understand it exactly as he meant it to be, a statement by one who upheld the modern Liberal, anti-Christendom world-view and denigrated the civilization, overall and in its detail, built by the Catholic Church.

This civilization, of course, was constructed in a certain way, on account of the Church's attempt to conform the circumstances and the means of man's life to the Eternal Law, which includes within itself the Providential Plan by which each created being is brought to a state of perfect fulfillment and satisfaction.

Christendom, unlike the "market forces," presupposes real freedom; if man was not free and meant to be fulfilled in his freedom, Christendom would not be needed. "Freedom," of course, is meaningless,

and soon becomes bizarre (as in our own commercialist culture), if it is not directed towards a true "good" that fulfills human nature. If freedom does not achieve a true satisfaction of human nature, why is freedom "good?"

If, however, freedom is "good" because it genuinely fulfills human nature, economic "freedom" or the ability to sell goods made and to purchase goods made by others, must be subordinated to overarching considerations of the "good." Since we are speaking about a public "good," we must speak about the "common good," in which every private good is included.

The common good entails the fulfillment of human nature at large. If all of the above reasoning is valid, economic freedom to buy and sell must be ordered to the achievement of a truly fulfilled human nature, both individually and commonly.

Only those with the most animalistic conception of man would think that the ability to buy and sell things is the pivot around which should turn an individual life, a political ideology, or the efforts of the State. That "man does not live by bread alone" is not only a religious truth, but is, also, a bit of wisdom testified to by universal human experience.

It is the religious devotion of man, his virtuous moral actions, and his aesthetic and emotional appreciation and expression, which are the higher aspects of man's being that mercantile trade is meant to facilitate and sustain.

In light of this, it is perfectly rational that the normal and traditional (i.e., non-Liberal) societies and governments of the past have tried to ensure that the buying and selling that went on amongst men, truly facilitated the genuine end of all economic relationships, the full and complete good of men, both individually and as, necessarily, living within a civic body. It was for this reason that such notions as "the just price" and the "the just wage" were normative, and limitations on the use and procurement of private property were instituted.

One point in favor of Ludwig von Mises, however, one not shared in by a number his disciples, is that he recognized that the whole bulk, theoretical and practical, of historical Christendom was against his understanding of the proper order of things. He, at least, recognizes that there was a very definite concept of "justice" in "medieval" Christendom.

He simply relativizes it. In pure Nietzschean fashion, he insists that claims about the "justice" of this or that social arrangement or economic condition, are merely an attempt by some to preserve an arbitrarily adopted "utopia." "They call 'just' that mode of conduct that is compatible with the undisturbed preservation of their utopia, and everything else unjust."

Von Mises, also, does not claim St. Thomas Aquinas as an early advocate of Liberal Capitalism and the "free-market economy." He understands that St. Thomas, as a Catholic philosopher and theologian, held views profoundly at variance with his own, including in matters of economics.

With regard to the question of the "just price," von Mises writes: "If Thomas Aquinas' doctrine of the just price had been put into practice, the thirteenth century's economic conditions would still prevail. Population figures would be much smaller than they are today and the standard of living much lower."

The sentence following should, also, be of interest to those who would like to see the sharp distinction between von Mises' Liberalism and the great tradition of the Christian World: "Both varieties of the just-price doctrine, the philosophical and the popular, agree in their condemnation of the prices and wage rates as determined on the unhampered market."

If Aquinas was a capitalistic Pre-Liberal, von Mises certainly did not see it; in fact, he uses St. Thomas's teachings as the embodiment of the very mentality and outlook, which he is rejecting.

De Roover's Libertarian Dream

To base one's ideas solely on conceptions prevailing in relatively current times, has never been a very attractive option. The [American Whigs](#) of 1787 looked to Republican Rome, and the French Democrats of 1789 could look to Democratic Athens.

Looking back 2,000 years for a political model is a genuine example of antiquarianism. At least Napoleon, with his later emulation of Charlemagne, only had to look back 1,000 years to find an example of a situation in which his newly chosen form of government, "worked."

(We must keep in mind here that the reason people had not, for so long, adopted these first two old

systems of government was because they were historically conscious enough to realize that they had not "worked").

A number of Libertarians have felt the need to trace their ideas back to the established thought of Catholic Christendom. We can only speculate as to their motives. However, what is clear is this, within the second half of the 20th century and, even, into our own, there have been some Libertarians who identify nascent Capitalistic ideas - (I simply identify Capitalism here as the economic form of Liberalism - not to be confused with American Leftism) - as existing within the corporate organism that was Christendom, prior to the "dawning" of the Enlightenment.

There are some more reckless Libertarian thinkers who would even state that, not only are there Liberal anomalies within the paradigm of historical Christendom, but rather, that Liberalism is the Christian civilizational paradigm itself. The recurrent focus of such Libertarian "dreaming" is the late Renaissance [Spanish School of Salamanca](#) and Sts. [Bernadine of Siena](#) and [Antoninus of Florence](#).

The main issue, although not the only one, is the one of the "just price." Can it be that the [later Scholastics](#), as represented by the School of Salamanca, along with the two Renaissance saints known for their sermons on economic concerns, should be identified as early advocates of Liberal Capitalism due to their, supposed, insistence that the "just price" which must be upheld by Church, State, and Society at large, is simply the one which is assigned to a product due to the interplay of producer supply and consumer demand?

If economic "justice," at this most basic and essential level, is simply a matter of adhering, faithfully, to the "laws of supply and demand," we can say that the view of these Catholic thinkers could, indeed, be characterized as an example of Early Economic Liberalism.

If there were something more to "justice" than the simple end result of the interplay of the free will of producer and the free choice of the consumer, than their thought could not be denominated as a early form of von Misesian Neo-Liberal/Libertarian conceptions.

When looking for an example of a Neo-Liberal who represents this attempt to find roots in the distant past for Liberal doctrines that seem quite modern, we can turn to Raymond de Roover who published an article entitled, ["The Concept of the Just Price: Theory and Economic Policy"](#) in Journal of Economic

History (December 1958). Here it is interesting to read De Roover's portrayal of the "typical" view of medieval thought as it relates to the topic of the "just price."

In this article, we read, "According to a widespread belief – found in nearly all books dealing with the subject – the just price was linked to the medieval conception of a social hierarchy and corresponded to a reasonable charge which would enable the producer to live and to support his family on a scale suitable to his station in life. This doctrine is generally thought to have found its practical application in the guild system. For this purpose the guilds are presented as welfare agencies which prevented unfair competition, protected consumers against deceit and exploitation, created equal opportunities for their members, and secured for them a modest but decent living in keeping with traditional standards [emphasis mine]."

Such was the "idyllic" view of the Middle Ages upheld by the great German economist [Max Weber](#) and by the British author, controversialist, and historian, [Arthur Penty](#). According to De Roover, another famous German economist, [Werner Sombart](#), went even further: according to him, not only the medieval craftsmen but even the merchants strove only to gain a livelihood befitting their rank in society and did not seek to accumulate wealth or to climb the social ladder. This attitude, Sombart claimed, was rooted in the concept of the just price "which dominated the entire period of the Middle Ages."

De Roover, however, has a different understanding of the common mind of the Christian Era as regards prices and economic activity in general.

Amidst the presence of many non sequiturs, confused and, even, contradictory historical claims, we find de Roover throwing out various red herrings such as, "Thomas Aquinas himself recognizes that the just price cannot be determined with precision, but can vary within a certain range, so that minor deviations do not involve any injustice. This...is not in accord with Marxian dialectics; but it agrees with classical and neoclassical economic analysis" [emphasis mine] So an obvious and balanced moral statement about a minor aspect of the just price issue, because it does not agree with the Marxist theory, makes St. Thomas' economic position into one that "agrees with classical and neoclassical analysis."

The bizarre and forced logic present in de Roover's analysis can only be touched upon here. For example, one of the "naïve" economists, Werner Sombart cites [Heinrich von Langenstein](#) (1325-1397) to

the effect that "if the public authorities fail to fix a price, the producer may set it himself, but he should not charge more for his labor and expenses than would enable him to maintain his status (*per quanto res suas vendendo statum suum continuare posit*)."

This is fully in accord with the "traditional" understanding of social and economic thinking in the Catholic Middle Ages. Langenstein continues in the same vein, "And if he does charge more in order to enrich himself or to improve his station, he commits the sin of avarice." This position, of von Langenstein, was "regarded as a characteristic formulation of the scholastic doctrine of the just price," according to de Roover. Having been cited by Sombart, de Roover insists that it was "copied by one author after another."

De Roover tries to throw cold water on the enthusiasm, on the part of economic historians, for the writings of Langenstein, by stating that, "Langenstein was not one of the giants in medieval philosophy but a relatively minor figure." This statement is, of course, totally irrelevant to the topic at hand.

The question was not whether or not Langenstein was one of the "giants" of medieval philosophy, but whether his statement of economic theory and practice can be seen as "characteristic." Someone need not be a giant in order to be characteristic. "Giants," of course, are not characteristic at all, but that is another point entirely.

When de Roover does treat a giant, [St. Thomas Aquinas](#), we find contradictory statements interwoven with more than questionable deductions. With regard to St. Thomas, he focuses on the topic that he – de Roover – believes will confirm that the "majority of the [Scholastic] doctors" held that the "just price" did not correspond to cost of production as determined by the producer's social status, but was "simply the current market price."

Clearly, de Roover understood that if the just price meant something other than the Capitalistic "just the price," his attempt to root Neo-Liberal Capitalism in Catholic social tradition and thought would fail. He had to prove that the "justice" of the price charged in the times of Christendom was nothing other than the price that the item could fetch on the open marketplace.

The plan was to portray St. Thomas as an early economic liberal and, then, indicate how later Scholastic thought followed him and, thereby, set the stage for [Adam Smith](#) and [Capitalistic Manchester](#)

Liberalism.

De Roover starts his analysis of the position of St. Thomas on the question of the "just price" by stating that in the works of Aquinas, "the passages relating to price are so scattered and seemingly so conflicting that they have given rise to varying interpretations." He then goes on to state, unambiguously, what St. Thomas definitely meant by the term "the just price."

As he goes on "definitively" articulating St. Thomas' position, he proceeds to contradict his own interpretation of and statements about this position. For example, de Roover states, "By selecting only those passages favorable to their thesis, certain writers even reached the conclusion that Albertus Magnus and Thomas Aquinas had a labor theory of value."

In a footnote, on the same page, he states, "As a matter of fact, Aquinas comes close to saying that any exchange of two commodities should be based on the ratio between the amounts of labor expended on each." Isn't he affirming here that Aquinas had a "labor theory of value," when he was just one paragraph above, chiding "certain writers" for reaching the conclusion that St. Thomas "had a labor theory of value"?

The Liberal scholar's reasoning becomes somewhat more convoluted when we find him, at the beginning of a paragraph, stating that St. Thomas "nowhere puts the matter [of the just price] so clearly," and by the end of the paragraph states that "this [single] passage [which is only a story addressing a very limited moral question] destroys with a single blow the thesis of those who try to make Aquinas into a Marxist, and proves beyond doubt that he considered the market price to be just."

So, within a single paragraph, made up primarily of an illustrative story about a merchant selling wheat in a town when he knows that more wheat is on the way, we go from Aquinas the Ambiguous to Aquinas the Absolute. When we look for the passage cited by de Roover, in the Secunda Secundae of the Summa Theologica, we find that the article cited has absolutely nothing to do with the topic of the just price. It is from the question dealing with "Cheating" and the specific article is entitled, "Whether the Seller Is Bound to State the Defects of the Thing Sold?"

St. Thomas states here that a seller is acting rightly, from the view point of strict justice, if he merely accepts the amount offered for his wheat by the buyer, without informing the buyer of the greater

amount of wheat to come. In other words, it is not unjust to fail to provide information that one could provide about the relative short-term worth of one's products.

St. Thomas ends by saying, "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."

From this short story concerning a very specific moral question, having nothing in itself to do with economic systems or the general topic of the just price, de Roover takes it as proven that "Aquinas upheld market valuation instead of cost," thus beginning a pre-Capitalist tradition in moral theology, which bore fruit in the late Renaissance Salamanca School and in the economic related sermons preached by St. Bernadine of Siena and St. Antoninus of Florence in the 15th century.

Before treating the real attitude of the late Scholastics in Salamanca and the sermons of St. Bernadine of Siena and St. Antoninus of Florence, it is worthwhile to look at a simple reply to an objection, present in Question 77, "On Cheating, Which is Committed in Buying and Selling." In Article 1, the same article from which de Roover draws his conclusions about the "free market" inclinations of St. Thomas, we read, in Reply to Objection 2, a line of reasoning that would, certainly, put St. Thomas outside the boundaries of any form of Liberal Capitalistic sympathies.

Here he cites St. Augustine who says, "th[e] jester, either by looking into himself or by his experience of others, thought that all men are inclined to wish to buy for a song and sell at a premium. But since in reality this is wicked, it is in every man's power to acquire that justice whereby he may resist and overcome this inclination.

The example, cited by St. Thomas, which St. Augustine uses to illustrate this idea, is one of a man who gave the just price for a book to a man who through ignorance asked a low price for it. Here we see the virtuous buyer, who knows the real value of the book, ignoring the market value of the book (the one which was being asked by the seller of those wishing freely to buy), and, instead, justly compensating the seller for his loss.

St. Thomas concludes from this example that the "capitalistic" drive to buy as cheaply as possible and sell as dearly as possible – expressive, as it is, of an unlimited drive for acquisition and an overriding self-interestedness – can be overcome just like any vice is overcome. He acknowledges, however, that

this self-interested attitude – which is, precisely, the attitude assumed by Liberal Capitalism – is “common to many who walk along the broad road of sin.”

Here we see clearly that economic attitude of Christendom contrasted with the economic attitude of Neo-Liberalism. Neither St. Augustine nor St. Thomas Aquinas are anything like Neo-Liberals. Clearly the “market price” is not, necessarily, the “just price.” To quote a phrase commonly used by Raymond de Roover, “This text...does not lend itself to a different interpretation.”

The Spanish Fairs and Renaissance Banking

To offer proof that the Scholastics, early or late, did not adhere to Libertarian principles of economic life, it is best to cite the historical works of the Neo-Liberals themselves. The two which draw our attention are, [*The School of Salamanca: Readings in Spanish Monetary Theory 1544-1605*](#) by [Marjorie Grice-Hutchinson](#), and Raymond de Roover's [*San Bernadino of Siena and Sant'Antonino of Florence: The Two Great Economic Thinkers of the Middle Ages*](#).

Our task can, also, be simplified if we can demonstrate, using the research of the Neo-Liberal scholars themselves, that the later Spanish Scholastics of Salamanca, along with the two above-mentioned saints, were fully within the great intellectual, social, and economic tradition of Catholic Christendom most particularly concerning the question of the “just price.”

If the “just price” is formulated in a way, which allows for many factors other than the exigencies of “supply and demand” (i.e., whether there is a social and moral aspect of the determination of price) and, especially, if there is a role for the “prince” in the determination of “market prices,” then we can safely reject the notion that these Catholic scholars of the past accepted a paleo-Capitalistic conception of the determination of price and, hence, of the entire economic life of society.

Even though Salamanca University was the most prominent place of higher learning in the European world at the time, it was Spain's position as master of the New World that set the stage for a concentration on the problems of economics by the Scholastics of Salamanca.

The gold and silver coming from the mines of the Americas made Seville, the homeport of the treasure fleet, the economic center of and primary money market in Continental Europe during the middle of the

16th century. Here we have a place where there was a large circulation of money and a high price level.

Tomás de Mercado (d. 1585), a Dominican from Mexico who was present in Seville and preached on commercial morality, portrays the mercantile and financial situation that grew up in these conditions to us. According to Mercado, when the fleet comes in, every merchant puts into the bank all the treasure that is brought to him from the Indies, the bankers having first given a pledge to the city authorities that they will render good account to the owners.

The bankers served their depositors free of charge and used the money deposited with them to finance their own operations. Most of the gold and silver brought in by the fleet passed in this way through the hands of the bankers and served as a basis for credit. The opening for usury was occasioned, however, by these transactions.

As Mercado complained at the time, "money-changers sweep all the money into their own houses, and when a month later the merchants are short of cash they give them back their own money at an exorbitant rate." In Spain, concludes Mercado, "a banker bestrides a whole world and embraces more than the Ocean, though sometimes he does not hold tight enough and all comes crashing to the ground."

The above stricture, on the part of Mercado (who died on a ship in 1585 on his way back to Mexico), against the financial transactions of bankers and merchants, was an articulation of an idea that was of ancient origin. Interest paid simply for the use of money during a certain period of time was considered usurious and universally condemned.

Much of the moral thought about economics coming out of Spain during this period was, specifically, an attempt to grapple with the moral considerations occasioned by certain attempts to avoid the Church and State's condemnation of usury.

The attempted circumventing of the usury laws occurred in a very subtle way. It originated in a seemingly legitimate attempt to deal with two practical difficulties encountered by merchants at the time.

First, there was there was, generally, a lack of cash available at the time, requiring merchants to set

debts against one another at the merchant "fairs" held at various times, in various places, throughout the year.

Second, the merchants of the period, at the various fairs, had to act as money changers since, often, a debt was incurred in one place, say Seville, and paid in another, say Flanders. In this regard, it was generally agreed that the merchant who paid out money in one place and recouped himself in another was entitled to make a reasonable charge for his services.

Even with regard to this type of "financial service," to charge a similar fee for bills transferring money from one Spanish fair to another was forbidden by a royal decree in 1551.

Clearly the Spanish Catholic Crown was even willing to "dislocate the whole business of the fairs" rather than allow merchants to become involved in unnecessary "financial servicing."

There, also, developed situations in which borrowed money was not to be paid back at the next fair but at one year later. Due to the "fees" attached to such "financial services," these became loans camouflaged as fees and involving a high payment of interest. According to Grice-Hutchinson, these met with "fulminations from both Church and State."

It is when dealing with this question of the transference of funds from one fair to another, that Grice-Hutchinson, as representative of the Neo-Liberal Economic School, focuses on the question of "price" and the factors determining the "prices" of both money and goods.

The Function of Money and the Question of Foreign Exchange

Medieval ideas about the origin and functions of money are largely based on a few short passages in Aristotle's *Politics* and *Nicomachean Ethics*. Here, Aristotle insists that the function of money was its use as a medium for the exchange of goods. Money was first invented to overcome the difficulties of transport and need that are bound to arise in a barter economy.

Money, therefore, is meant to serve as a common denominator that brings into line with each other

things diverse in nature: "Making all things commensurable, equalizes them." Along with rendering commensurable for the seller and buyer what is, by nature, qualitatively different, money can serve as "capital," or as a store of value to be used at a future time.

Aristotle emphasizes the function of money as a man-made instrument by indicating that its value rests on custom and that it, "rests on us to change its value or make it wholly useless." [Averroes](#) (1126-1198), whose commentary on the *Ethics* was translated into Latin early in the 13th century, follows Aristotle closely on the origin and functions of money.

Since St. Thomas Aquinas upheld this traditional view that money was invented for purposes of exchange, he held that it was unlawful to take payment for the use of money lent, which payment is known as usury. Here we have a reassertion of Aristotle's own condemnation of usury.

St. Thomas himself applies this to our issue under discussion, gain on account of the foreign exchange of money, by condemning this practice outright.

Merchants who attempt to make money by lending money where money is plentiful and collecting it where money is scarce for a real financial gain, meet the following statement by St. Thomas, from his [Commentary on Aristotle's Politics](#), I, lvii: "Likewise the art of money or acquisition is natural to all men for the purpose of procuring food, or money with which to buy food, out of natural things such as fruit or animals. But when money is acquired not by means of natural things but out of money itself, this is against nature."

This teaching concerning making money on the basis of the relative "price" of money in one place or another, appears again in 1532 when the Spanish merchants of Antwerp sent their confessor to Paris to get a ruling on the legitimacy of exchange transactions from the learned doctors of the University. They condemned forthright all exchange business.

The point that the Neo-Liberals, represented by Marjorie Grice-Hutchinson, would like to draw out of this incident is that, in this reply, the rate of exchange fluctuates according to the state of supply and demand and is not derived from the labor and costs incurred by the person in whose favor the bill is drawn. The assumption here being that that which all think should determine the "price" of money, is the same as what all think should determine the price of commodities.

This is an arbitrary assumption. Moreover, the doctors of the University of Paris are, apparently, merely speaking of a matter of fact. In itself, it by no means determines what the Scholastic doctors will say about the “just price” of things that ought be sold, namely commodities.

What we are truly left with from this reply is a further verification of a perennial teaching of the Christian Era; money should not be made off money. As St. Thomas states, such activity is justly deserving of blame, because, considered in itself, “it satisfies the greed for gain, which knows no limit and tends to infinity.”

The School of Salamanca and the Just Price

When considering what the, purportedly, innovative School of Salamanca said about this important question of the “just price,” the economic issue extraordinaire in the Middle Ages, I came across a text, included in *The School of Salamanca* by Grice-Hutchinson, which led me to hesitate for a moment.

Here, in a citation from [Domingo de Soto](#)'s book *De Justitia et Jure* published in 1553, we find the following in answer to the question, “Should prices be determined according to the judgment of the merchants themselves?": “Firstly....excluding fraud and malice, we should leave merchants to fix the price of their wares. Secondly.... every man is the best judge of his own business. Now, the business of merchants is to understand merchandise. Therefore, we must defer to their opinion in settling prices. Thirdly, that a man may do as he likes with his own property. Consequently, he may ask and receive whatever price he can extort for his wares.”

“Now,” I said to myself, “we have a big problem.” “Domingo de Soto is an important figure in the history of the School of Salamanca. He was a Dominican, a contemporary of the School's founder Vitoria, and considered to be one of its best writers on economic subjects.

In 1532 Soto was appointed to a chair of theology at Salamanca. His fame was such that, in 1545, the Holy Roman Emperor and King of Spain Charles V appointed de Soto, now regarded as the most eminent of the Spanish theologians after Vitoria, as his own representative at the Council of Trent. He became Charles' own confessor 2 years later. Surely if this man held for the “free market” approach to commodity pricing, such must be a genuine teaching emanating out of Salamanca.”

After some uncomfortable consternation, it dawned on me what I was reading; rather than being de Soto's own position and teaching on the matter these were the Objections to Soto's own position, which always, of course, appear first in any properly organized Scholastic article. De Soto's own teaching on the matter of the just and proper price is perfectly in line with what you would expect a Catholic theologian of a still flourishing and faithful civilization to say.

De Soto's first "conclusion" with regards to this issue is to make a distinction that is the common-sense ground work for any discussion of prices: the price of a "good" (or commodity) is not determined by its essence (how the thing fits into the whole hierarchy of creation), but rather, "by the measure in which [it] serve[s] the needs of mankind."

Here he affirms what was taught during this same period (1554) by another Salamancan scholar [Diego de Covarrubias](#), "The value of an article does not depend on its essential nature but on the estimation of men, even if that estimation be foolish." The "goods" we are citing here are "goods" which are good insofar as they service human needs.

These things, therefore, have a price insofar as they are valuable in the eyes of the citizens; these goods or commodities would allow the citizens to satisfy their human needs. De Soto concludes this foundational claim about prices by saying, "We have to admit, then, that want is the basis of price."

Things are, therefore, more desirable, and therefore will go for a higher price, insofar as they more perfectly satisfy man's desire for fulfillment and sustenance, irrespective of the place which the thing holds in the hierarchy of Creation. As St. Augustine states ([City of God](#), Book 2, chapter 16), "a man would rather have corn than mice in his house"; this, even though mice are ontologically more perfect than grains of wheat.

When speaking of the "want" which is at the basis of all economic life and pricing, de Soto recognizes, in a very balanced way, that when we speak of "want" we must not exclude a recognition of the fact that the city needs "adornment"; even though such things are not necessary for human life, it is something which render life "pleasurable and splendid."

In de Soto's second "conclusion," we find a statement which directly contradicts the Libertarian claims that the later Scholastics of Salamanca thought that nothing should be considered when calculating price, other than "supply and demand."

De Soto lists supply and demand as one of the elements that go into determining the just price for an item. "Next, we must bear in mind the labor, trouble, and risk which the transaction involves. Finally, we must consider whether the exchange is, for better or worse, to the advantage or disadvantage of the vendor, whether buyers are scarce or numerous, and all other things which a prudent man may properly take into account."

In other words, much to the consternation of those who would insist that the Salamanca School recognized nothing but the needs of "supply and demand," we find one of its most prominent scholars asserting that the entire process and situation of production and sale must be considered when the just price is calculated. Social and economic prudence is truly queen here.

We find out in the next paragraph who it is, exactly, who is entitled to make a binding judgment, while employing this social and economic prudence. The answer to this question depends upon another Scholastic distinction. This distinction is between the "legal" price and the "natural" price.

These are, as de Soto states, the "two-fold" aspect of the "just price." Here we find that "the just legal price" is that which is fixed by the prince. The "discretionary" or "natural price" is that which is current when certain prices are not legally controlled.

De Soto states that this distinction is one drawn by Aristotle in his *Nicomachean Ethics* (V, chapter 7). Notice, in this regard, de Soto is not making a "value judgment," saying that the "legal price" is bad and the "natural price" is good. As we will find, the application of these two different types of prices depends upon what type of good or commodity we are speaking of.

The next few paragraphs of the passage we have been citing are very significant and are echoed by other scholars of the Salamanca School. De Soto states, "To understand the [above] Conclusion and to judge its validity, and to see why it is necessary for prices to be controlled, we must realize that the matter is a primary concern of the republic [in the sense of *res publica* or the commonweal] and its governors, who, in spite of the arguments repeated above [i.e., those "free market" arguments in the

Objections], ought really to fix the price of every article.

But since they cannot possibly do so in all cases, the task [of "fixing" the price of those commodities which the prince has not fixed] is left to the discretion of buyers and sellers. The price that results is called the natural price because it reflects the nature of the goods, and the utility and convenience which they bring [emphasis my own]."

In proof that the term "legal price," entails no negative judgment on this form of pricing, we can cite de Soto as stating, "When a price is fixed by law (for instance, when a measure of wheat or wine, or a length of cloth, is sold for a certain sum) it is not lawful to increase this price by even a farthing. If the excess be great, then it is mortal sin and a matter for restitution."

Those prices, which are not regulated, especially the prices of commodities extraneous to the basic needs of the citizenry, can "enjoy a certain latitude within the bounds of justice." Here we find that even the prices allowed to fluctuate, must be kept within the bounds of justice; "justice," in this case, meaning the requirements of the common good.

The Complexity of the Just Price Reaffirmed

De Soto was, as was every Scholastic, an inheritor of a centuries-old tradition of scholarship and learning. His statements concerning the advisability of "fixing" prices, had antecedents deep in the heart of the Middle Ages. That characteristic, "non-giant," the Viennese scholar Heinrich von Langenstein was an advocate of a strict system of price controls. He advises the prince, however, to fix prices in accordance with the customary price, which is determined by "the degree of human want."

Moreover, Langenstein shows a completely balanced approach to the question of the just price. He acknowledges that there is an objective factor, in the sense that it should be fixed by some authority standing outside the market, and yet subjective as being the product of subjective factors. Some of those subjective factors that Langenstein mentions are: supply and demand, utility, cost of production, remuneration of labor, cost of transport, and risk.

All of these are to be taken into account when determining value. Just like St. Thomas Aquinas, Langenstein understood "supply and demand" to play a part in determining price.

Grice-Hutchinson herself recognizes this to be the generally held position of the Scholastic tradition, when she writes, "we have seen that the concepts of utility and rarity were placed high in the traditional list of factors determining value which accompanied scholastic discussions of the 'just price.'" She, also, admits, "we have seen that our Scholastic writers regarded utility and rarity as the primary, though not the sole, determinants of value" [emphasis mine].

If we should look, specifically, for another member of the School of Salamanca who affirms de Soto's teaching on the desirability of fixing prices, especially those of "staple" commodities, we come upon one [Pedro de Valencia](#). In his [*Discurso sobre el precio del trigo*](#), he states that, "those who allege that a thing is worth the price it will fetch must be understood as referring only to things that are not essential to life, such as diamonds, falcons, horses, swords, and also to other commoner things when there is no fraud, compulsion or monopoly, and when vendor and purchaser enjoy equal liberty or suffer equal need [emphasis mine]."

Recognizing, however, that in matters of real need the citizenry is at a distinct disadvantage in any exchange, he states, "in the case of bread, in years when it is dear – the vendor always enjoys liberty and plenty, and the purchaser always suffers urgent need and want."

Now we come to the question of the just price, "The just price is not whatever a thing will fetch on account of the purchaser's need, nor can such a price in conscience be demanded. No price is just or should be regarded as current if it is against the public interest, which is the first and principal consideration in justifying the price of things."

Bernadine of Siena and Antonino of Florence: Saints Misconstrued

We ought to be very much surprised when we find a Neo-Liberal scholar like Raymond de Roover focusing our attention on two great saints, St. Bernadine of Siena and St. Antonino of Florence. It is, first of all, surprising to see that they are termed, "The Two Great Economic Thinkers of the Middle Ages," when they lived their lives square in the heart of the blossoming Italian Renaissance.

That these thinkers are acclaimed as far-sighted prophets of the goodness of Liberal Capitalism is also surprising, since their attitude towards economics itself could not be farther away from the mentality of a von Mises, who would hold the laws of private property and the "free-market" to be adverse to the

"heterogeneous" moral claims made by the divine and natural law.

Here it would be useful to recall von Mises statement that, "In urging people to listen to the voice of their conscience and to substitute considerations of public welfare for those of private profit, one does not create a working and satisfactory social order [emphasis mine]."

The only thing which the two great saints under consideration intended by their preaching and writing on economic issues was to "urge[re] people to listen to the voice of their conscience and to substitute considerations of public welfare for those of private profit." They, also, held that only if such things were done, would a just and satisfying civil order be attained.

When we consider the moral teachings of St. Bernadine (1380 – 1444) as these relate to economic issues, what we are analyzing are 14 sermons, which are part of a larger collection of sermons entitled, *De Evangelio aeterno* (Concerning the Eternal Gospel).

These Latin sermons, as opposed to his Italian ones, were meant to be read rather than preached. Here we can see the continuation of a long tradition, echoed in our own age by men like Heinrich Pesch, S.J., of including economic questions within the larger framework of ethics. In these sermons of St. Bernadine (a Franciscan and the great apostle of devotion to the Holy Name of Jesus), we find the general teachings of the Church as regards economic life repeated anew.

As de Roover himself admits, the condemnation of usury was a prominent theme in St. Bernadine's writings. Just as was the case with the other Scholastics, St. Bernadine was "preoccupied with another set of problems [as opposed to questions of "how the market operates"]: what is just or unjust, licit or illicit? In other words, the stress was on ethics: everything was subordinated to the main theme."

Both St. Bernadine and St. Antoninus (Archbishop of Florence from 1445 to 1459), both frown upon acquisitiveness as leading to sin and eternal perdition. St. Antoninus deals with the whole topic of market transactions in section of his *Summa theologica moralis* that deals with the sin of avarice. Moreover, economics was discussed within the framework of contracts, as Roman law understood these.

The virtues that regulated the individual and collective economic actions of men were the virtues of

distributive and commutative justice (i.e., the State giving to its citizens "their due" and citizens "giving to each other their due"). Let us face it, the only "due" that the Libertarians allow is the absolute claim that each man has to have the government and his fellow citizens respect his, already demarcated, private property right.

They forget what the Distributists remembered quite well, all men have a certain right to private property. Those who uphold the Social Teachings of the Catholic Church, better than their Libertarian antagonists, understand the role of private property in personal and familial fulfillment.

When we study de Roover's book on these two, putatively, innovative saints, we find ourselves at a loss to find a significant teaching that is not firmly rooted in the wisdom of the Catholic past or one which is not clarified, in a purely traditional way, by the later Scholastics of the School of Salamanca.

As de Roover himself recognizes, St. Bernadine, like the Medieval Scholastics before him, understood price determination to be a social process. Price is not set by the arbitrary decision of individuals but collectively by the community as a whole. St. Bernadine makes this explicit when he states, "the price of goods and services is set for the common good with due consideration to the common valuation or estimation made collectively by the community of citizens [emphasis mine]."

According to de Roover, in the writings of St. Bernadine, there was "only minimal analysis of changes in demand or supply as this affects prices.

With regard to the above question of price, as we found earlier with his analysis of the economic thought of St. Thomas Aquinas, de Roover's portrayal of the intellectual "innovations" of St. Bernadine is very forced and often involves the use of statements that do not at all prove his point, in fact, they often contradict it.

One example is his citation of a single sentence, from the "sermons" of St. Bernadine, which seems to indicate that the saint held to an idea of the "just price" which was convertible with the idea of "market valuation."

In support of this view, he cites St. Bernadino as defining the "just price" as, "the one which happens to prevail at a given time according to the estimation of the market, that is, what the commodities for sale

are then commonly worth in a certain place."

As we have seen, however, with regard to this determination of price based upon "supply and demand" and "market conditions," there was a solid moral tradition, passing into late Scholastic times, in which it was considered perfectly reasonable that prices of certain inessential items were allowed to "float" freely, their value being determined by how much someone, who did not absolutely need the item, was willing to pay.

De Roover himself seems to recognize that the language of "just price" as "prevailing market price" refers to just this situation and to these kinds of goods. And yet, that de Roover wants to insinuate that St. Bernadino equated the "just price" with the "one that happens to prevail at a given time according to the estimation of the market" in all cases, is clear. With his usual hesitant definitiveness, he says, "This statement [about just price and prevailing market price], it seems to me, is so clear that it does not admit any other construction."

If, as he seems to say, St. Bernadino equated just price with market price, all prices should, for justice's sake, be subject to the free flow of market forces – any interference would be, according to this view, an interference in the market's setting of the "just price."

That this is not St. Bernadine's view is made clear, again by de Roover himself, when he admits that the Franciscan taught "prices may be fixed for the common good." Society, then, is in charge of setting prices.

Who does not hear the echo of the entire economic ethos of Christendom in St. Bernadine statement that, prices may be fixed for the common good, "because nothing is more iniquitous than to promote private interests at the expense of general welfare."

St. Antonino, the Just Price, and the Just Wage

St. Antonino of Florence was explicitly committed to the position that civil authority had the right and, often, the obligation to fix prices for the sake of the common good. Clearly the "common estimation" by which prices ought be determined, included the possibility of the State explicitly setting the price of items.

According to de Roover, "Sant' Antonino...states that it might be desirable under certain circumstances to have prices of victuals and other necessities fixed by the bishop, or even better, by the civil authorities. If there is such regulation, it is binding and victuallers and other tradesmen may not, without sinning, raise the price above the legal minimum."

Rather than being anything like a "free market" advocate, the Archbishop of Florence reaffirms the traditional condemnation of usury and monopoly. He, also, insisted upon there being a "just wage." The calculation of what would constitute a "just wage" was a social and a complex process that would involve the consideration of many different elements. To quote de Roover's citation of St. Antoninus, "Sant' Antoninus states that the purpose of wages was not only to compensate the worker for his labor but also to enable him to provide for himself and his family according to his social situation."

Moreover, "it was as unfair and sinful to pay less than the just wage because a worker had mouths to feed as it was unfair to pay less than the just price because of the seller's urgent need for cash." St. Antoninus clearly saw man as a whole, not just as a private property owning (or not owning) unit.

The whole talk about a "just wage" (not to mention a "just price") means nothing unless we understand man to be a social creature and all of man's activities and social interactions, including his economic ones, as having an orientation to the higher and more perfect good, at least the true and fulfilling good of human existence.

We see this over-arching teleological (from the Greek word *telos* or goal) understanding of the human good present in the following statement that de Roover makes concerning the teaching of St. Antoninus: "The purpose of a fair wage was to enable the worker to earn a decent living, the purpose of a decent living was to enable him to lead a virtuous life, and the purpose of a virtuous life was to enable him to achieve salvation and eternal glory."

As we might expect, from what we have seen from the various Libertarian writers cited in this article, de Roover "summarizes" St. Antoninus's position by overturning everything he had previously stated concerning the saints' teaching: "St. Antoninus's own wage theory according to which the just wage was set by common estimation, that is, by market forces without any reference to individual needs."

Here he is asserting A and not A simultaneously. Here we have the manipulation of a classical Christian

moral text by a Libertarian whose views on economics, logic, politics, society, and, even simple human psychology would be completely inexplicable to our saintly Renaissance bishop.

Restoration Economics

Why does all of this matter? Much of "conservative" and "libertarian" thought, in the United States, in the British Commonwealth, and on the Continent of Europe has attempted to find a way to, as Arthur Penty put it, "stabilize the abnormal." What is truly needed is a return to the normal.

What we have seen when analyzing the actual statements made by the Medieval and Renaissance moral theologians on economic issues is a balanced portrayal of what the "normal" is. What has been amazing to see is not how innovative they were, in a Liberal direction, but rather, how traditional and deeply Christian they were.

That there was room for discussion on such questions as the worth of money as a result of foreign exchange is a perfectly normal manifestation of the Catholic desire for justice and a deep prudence that understands the multiplicity of situations in which human beings act.

Such prudence cannot be taken as a revolutionary innovation or for an opening to modern economic liberalism.

The basis of our current "abnormal" is an inflated and unnatural understanding of man as an individual, free to "create" his own "value system," which, to a certain extent, means to "create his own world." Liberalism, in its economic and political manifestations, has created a situation in which the ancient psychological, social, economic, and political tapestry of human societies has been unraveled.

By upholding an ethereal concept of "choice," it has robbed us of our honor, our personal security, and our heritage. This entire conception of man and human existence is embedded in the Neo-Liberal equation of the "just price" with the "market price." That Arthur Penty and many others would present the "just price" and its attainment as the primary purpose of the Medieval Guild System is testimony to the fact that the very social life of Christendom, in a very real way, pivoted upon this reality.

That "justice" should involve more than mere "freedom of choice," rather including within the very term an idea and concrete historical reality expressive of a higher order and more fundamental and essential obligations, is testimony to the fact that the spiritual psychology of Christendom was profoundly different from the one we find possessed by all those who reject the ancient way, whether they be Socialists, Globalists, or Libertarians.

For those who would, correctly, seek for a life outside of the spiritually suffocating totalitarian Liberalism that we find ourselves immersed in, Penty warns them that any attempt to realize the dream of an independent rural existence without price controls put into place, would result, for most, in economic suicide for families and for individuals.

These are sobering words. Our struggle must then take on a more encompassing religious, moral, and even political dimension if our children and our children's children are to live a life richer and, hence, more traditional than our own.

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The [photo](#) shows, "Savonarola Preaching Against Prodigality," by Ludwig von Langenmantel, painted in 1879.

