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Stephen John Grabill, ed. *Sourcebook in Late-Scholastic Monetary Theory: The Contributions of Martin de Azpilcueta, Luis de Molina, and Juan de Mariana.* Lanham: Lexington Books, 2007. xxxv + 362 pp. $85.00 (cloth), ISBN 978-0-7391-1749-1; $44.95 (paper), ISBN 978-0-7391-1750-7.

Reviewed by Camarin M. Porter (Department of History, University of Wisconsin-Madison)
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A Broadened Perspective on the Ethics of Early Modern Exchange

This collaborative collection gives voice to three figures who shaped the development of economic thought within the late Spanish scholastic tradition. The works of Martín de Azpilcueta (1492-1586), Luis de Molina, S.J. (1535-1600), and Juan de Mariana, S.J. (1536-1624) shaped and reflected the traditions of the Salamancan school, whose debates on economic ethics emerged alongside broader interests in defining natural law and justice in an age of increased commercialization, exploration, and international trade. It includes translations of Azpilcueta's *Commentary on the Resolution of Money* (1556), Molina's *Treatise on Money* (1597), and Mariana's *Treatise on the Alteration of Money* (1609). The appearance of these texts in English expands their audience to include "economists, intellectual historians, moral theologians, and graduate students in the fields of economics, economic ethics, economic history, banking history, political economy, and moral theology" (p. xxv). Beneficiaries will, therefore, include readers interested in the Salamancans not only for their reactions to socioeconomic and political shifts in sixteenth- and seventeenth-century Spain, but also their influence on eighteenth- and nineteenth-century economists, including Adam Smith.

In the introduction, Stephen J. Grabill takes as his starting point the frequent exclusion of scholastic thought from general narratives of the history of modern economics. In such cases, he argues, scholars have dismissed the cumulative body of scholastic economic contributions as irrelevant, in view of medieval discussions of usury and the sterility of money (the idea that money itself cannot yield more money). Grabill attributes such bias to scholars' inability either to understand fully the contexts and concerns that shaped medieval thought on usury, or to acknowledge innovations in other areas of scholastic economic debate. He characterizes this prejudice as the tendency to conflate scholasticism with "a body of doctrines, a philosophical system, or some theological result" (p. xix) rather than understanding it as a method of inquiry.

Grabill roots his apology firmly enough in an overview of the scholastic tradition that non-specialists and general readers alike will appreciate his defense and understand the connections he outlines between high and late medieval economic thought and the Salamancan school. Although he describes the twelfth and thirteenth centuries as the "high water mark" of scholasticism, a broader chronology would include the influential contributions of fourteenth-century figures to economic theory, particularly within the Franciscan tradition. It would also allow for a more organic view of how economic discussions progressed from the thirteenth to seventeenth centuries, although admittedly the distinction at hand, in terms of chronology and perspective, is that between scholastic and modern (especially post-eighteenth-century) economic thought. It should, however, be noted that the general rejection of morality-based economic thought in the modern period risks homogenizing the ways in which economic justice and injustice were conceived across several centuries of scholastic thinking.[1] A general concern of both early and later scholastics was the immediate context of individual economic transactions. Discussions about trade and price-setting thus included questions about equality, justice, and freedom from compulsion in trade, although understandings of what equality in transactions looked like were shifting by the later period.[2] To the criticism that the roots of these discussions in Christian ethics preclude them from inclusion in modern economic history, Grabill responds that "the recent detachment of economics from morality is an aberration from a long-standing tradition within political economy itself" (p. xxiii).

When he moves to the sixteenth century, Grabill recognizes the historiographical debate over intellectual cohesion among the Dominicans and Jesuits who were associated with the Salamancan school, but situates himself and the volume's contributors within a tradition upheld by Marjorie Grice-Hutchinson, which holds that "in the area of value and monetary economics, a genuine and incipient school of thought existed at Salamanca" (p. xxv).[3] Two lines of intellectual continuity bear witness to late scholastic influence on later figures. The first tracks the revival of Thomas Aquinas's thought in sixteenth-century Paris under Peter Crockaert (d. 1514) and others, carried from St. Jacques to Spain through Francisco de Vittoria (d. 1546). The second highlights the transmission of late scholastic influence through Hugo Grotius and Samuel Pufendorf to Francis Hutcheson, Adam Smith, and the nineteenth-century tradition. Grabill asks, then, "on what reasonable grounds should scholastic influence on modern economics be considered discontinuous, if evidence can be presented that demonstrates lines of continuity extending from Aristotle and Aquinas that run through the Salamancans and the seventeenth-century natural-law philosophers to Smith, Galiani, Walras, and beyond?" (p. xviii).

Extensive background to the sixteenth- and seventeenth-century economic debates continues in the individual introductions to the translated texts, which also include brief biographical portraits, beginning with Rodrigo Muñoz de Juana's comments on Azpilcueta. A canonist at Salamanca and contemporary of de Vitoria, Azpilcueta was known for his influential *Manual de confesores y penitentes* (1556), part of which appears translated here as *Commentary on the Resolution of Money*. Sections of the *Commentary* deal explicitly with usury, and echoing Grabill's concern that medieval and late scholastic discussions of usury are rarely fully understood, Juana offers a detailed overview of relevant doctrines and terms. He additionally explains contemporary theological anxiety over money as a consumable good and the selling of time. This historical grounding is necessary before readers can recognize scholastic economic thought as a body of personalized and pragmatic responses that took into account both doctrine and the increasingly sophisticated manner in which trade was conducted by the sixteenth century. A distinction was made in usurious transactions, for example, between the capital lent out and the foregone profit (*lucrum cessans*) that a lender could otherwise have made with his capital; Azpilcueta argued that special consideration be made for loans by merchants, since capital was arguably more profitable in their hands than in others'. Azpilcueta also offered an individualized perspective on money's value with regard to its buying power, distinct from its actual or ascribed value. By establishing value within the context of available goods and merchandise, Juana notes this "notion of money related to its buying power set [Azpilcueta] apart from the medieval theory that considered money as an invariable mass" (p. 12).

Writing a generation after Azpilcueta, Molina was known foremost for his theological work, the *Concordia liberi arbitrii cum gratiae donis* (1588), in which he sought to reconcile divine foreknowledge and human free will, and his treatise, *De iustitia et iure* (1593-1609). His *Treatise on Money* is comprised of responses to several questions on contracts, currency, prices, and the value of money. The issues examined are of both practical and ethical natures, such as Argument 409, "On Some of the Ways in Which Money is Paid for in the Exchanges. On Bills of Exchange. May the Bankers Licitly Receive Any Other Stipend." Given the socioeconomic specificity of Molina's subject matter, the introduction to this excerpt, by Francisco Gómez Camacho, S.J., stresses the text's significance as a detailed reflection of sixteenth-century business. Argument 408, for example ("On the People Who Travel from One Place to Another to Carry Out Exchanges") surveys the practices and moral concerns specific to merchants, money exchangers, and bankers.

Many aspects of the thought of Molina and his contemporaries bear witness to one of the key ethical distinctions characteristic of economic thought before the philosophical and technological transformations of the seventeenth and eighteenth centuries: the desire to preserve personal morality and agency with regard to prices. Price-setting reflected a conscious decision made with consideration of the parties and circumstances involved in a transaction, not the market price. Camacho describes the shift away from this ethic as from "price-maker" to "price-taker" (p. 116). The same underlying responsiveness to moral responsibility is evident in examinations of the differences in customs related to valuing and exchanging coins (Argument 401, "If a Higher Price Than the One Set by the Law May Licitly Be Received for the Coins to Which the Public Authority Assigned a Particular Value at the Moment of Coinage").

Mariana, the most controversial of the three writers, is better known for his treatise on monarchy, *De rege et regis institutione* (1598) and his *Historiae de rebus Hispaniae* (1592ff) than his work on currency debasement, *De monetae mutatione* (translated here as *A Treatise on the Alteration of Money*). His concerns about the limits of monarchical authority and the manipulation of cur-

rency are not unrelated. As Alejandro Chafuen writes in his introduction, Mariana framed his treatise as advice for the monarch on monetary policy. His foremost concerns were a monarch's control of currency and thus of prices, inflation, and entire economic systems. Safeguarding his subjects' financial welfare falls well within the bounds of the monarch's ethical responsibilities, and Mariana specifies the moral consequences wrought by economic exploitation. Chafuen observes, for example, that "[t]o Mariana's mind, the very act of currency debasement is *in itself* evil" (p. 244) and an act of fraud; thus, "the act of defrauding people is, in each and every instance, *wrong* and consequently threatens the salvation of persons engaging in such activity" (p. 244). Mariana's responses to related questions included here, such as Questions Three ("Can the King Debase Money by Changing its Weight or Quality Without Consulting the People?") and Eleven ("Should Silver Money be Altered?") include his arguments for the relevant moral and economic disadvantages of each act.

For each of the three texts, the *Sourcebook* efficiently accomplishes its goal of setting each authors' specific concerns in areas of moral theology and economics within full social and intellectual contexts. As Grabill argues in his introduction, "the Salamancans were involved not only in an internal conversation within Spain concerning inflation, usury, rates of currency exchange, currency debasement, subjective value, just prices, and so on, but they were also critical interlocutors in a wider conversation spanning centuries that included prominent canonists, jurists, philosophers, and theologians" (p. xxvi). Far from static, their thought by its very nature comprised theological responses and comments on moral theology as applied to new and shifting economic circumstances.

The body of works produced in the generations from Vitoria through Francisco Suárez is frequently cited as evidence of both a transition from late medieval scholastic economics, and a precursor to classical economic thought. The primary value of the present volume, however, is the opportunity to showcase the thought of three representatives of the period on their own merits, and not simply as a bridge between the pre-modern and modern.

Notes

[1]. On the diversity of economic thought during this period, see especially Odd Langholm, *The Legacy of Scholasticism in Economic Thought: Antecedents of Choice and Power* (Cambridge: Cambridge University Press, 1998); and Joel Kaye, *Economy and Nature in the Fourteenth Century: Money, Market Exchange, and the Emergence of Scientific Thought* (New York: Cambridge University Press, 1998).

[2]. Francisco Gómez Camacho, S.J., "Later Scholastics: Spanish Economic Thought in the XVIth and XVIIth Centuries," in *Ancient and Medieval Economic Ideas and Concepts of Social Justice*, ed. S. Todd Lowry and Barry Gordon (Leiden: Brill, 1998), 503-561.

[3]. Cf. Grice-Hutchinson's *The School of Salamanca: Readings in Spanish Monetary Theory, 1544-1605* (Oxford: Clarendon, 1952).

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