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6. The Church in the Economic Sphere

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Abstract
Since the Church in the Middle Ages claimed to teach "in all its fulness every doctrine that men ought to be brought to know," it was obligated to enunciate and propagate a set of definite principles for guiding medieval men as, in one way or another, they engaged in making a living. The Church did, in fact; enter the Middle Ages with a set of general presuppositions regarding economic activity, a legacy from its first five hundred years of existence. The way in which it sought to apply these presuppositions during the succeeding thousand years is a good example of the Church's method of handling secular problems. [*excerpt*]

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Comments
This is a part of Section III: The Medieval Church. The Contemporary Civilization page lists all additional sections of *Ideas and Institutions of Western Man,* as well as the Table of Contents for both volumes.

More About Contemporary Civilization:

From 1947 through 1969, all first-year Gettysburg College students took a two-semester course called Contemporary Civilization. The course was developed at President Henry W.A. Hanson's request with the goal of "introducing the student to the backgrounds of contemporary social problems through the major concepts, ideals, hopes and motivations of western culture since the Middle Ages."

Gettysburg College professors from the history, philosophy, and religion departments developed a textbook for the course. The first edition, published in 1955, was called *An Introduction to Contemporary Civilization and Its Problems*. A second edition, retitled *Ideas and Institutions of Western Man*, was published in 1958 and 1960. It is this second edition that we include here. The copy we digitized is from the Gary T. Hawbaker '66 Collection and the marginalia are his.

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6. The Church in the Economic Sphere

Since the Church in the Middle Ages claimed to teach "in all its fulness every doctrine that men ought to be brought to know," it was obligated to enunciate and propagate a set of definite principles for guiding medieval men as, in one way or another, they engaged in making a living. The Church did, in fact, enter the Middle Ages with a set of general presuppositions regarding economic activity, a legacy from its first five hundred years of existence. The way in which it sought to apply these presuppositions during the succeeding thousand years is a good example of the Church's method of handling secular problems.

First, reflecting its basically otherworldly orientation, the Church taught that the pursuit of material treasure should always be subordinated to the acquisition of spiritual treasure, that there were more important things to do than making a living. In keeping with its usual procedure in dealing with matters of faith and morals, the Church based its principles relating to economic activity on the New Testament. For example, in the story of the rich young ruler, Jesus is recorded as having said (Matthew 19:16-30):

> If you would be perfect, go, sell what you possess and give to the poor, and you will have treasure in heaven; and come, follow me.... Truly I say to you, it will be hard for a rich man to enter the kingdom of heaven. Again I tell you, it is easier for a camel to go through the eye of a needle than for a rich man to enter the kingdom of God. **

The early Church considered it necessary to interpret the teachings of Christ to make them applicable to its own peculiar conditions. Some thinkers took Christ's strictures against wealth quite literally. They rejected the institution of private property and upheld instead the ideal of poverty. These views were at the root of medieval monasticism. They remained influential and came to the fore from time to time as the wealth of the Church seemed to dilute its purity.

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* The "Summa Theologica" of St. Thomas Aquinas, trans. Fathers of the English Dominican Province (London: Burns, Oates & Washbourne, Ltd.), IX, 153-155. Used with permission of the publisher and of Benziger Brothers, Inc.

**Revised Standard Version of the Holy Bible.

In general, however, medieval men felt that the view just expressed represented the Christian ideal, but that the attainment of this ideal was beyond the reach of most of the men whom the Church universal embraced. For them the story of the rich young ruler had to be explained in a somewhat different way. According to this interpretation, the command to him to sell his possessions did not mean precisely what it appeared to say, after all. What Christ really intended was for this young man to regard his wealth always as a means for him to minister liberally to the needs of others, as indeed God had commanded all men to do. This explanation preserved the basic idea that the pursuit of material pleasures should always be a secondary consideration. It was in harmony with the Church's key assumption that, while he lived, man had to be concerned with the problems of two cities and not just those of one, be it heavenly or earthly.

A second general presupposition regarding economic life held that all forms of wealth were ultimately the property of God. He had created them and they continued in existence because He sustained them. The purpose for which this wealth had been created was to enrich human life, God's highest creation, and enable it to serve His will. Therefore, as far as the medieval Church was concerned, private property meant the private use of wealth for the service of one's fellowmen and the glory of God.

Third, it was assumed that charity or almsgiving was a primary Christian duty. The Church did not propose minimizing or eliminating human need through what we would call political action, as, for example, by redistributing the wealth. Therefore, those who prospered were to reflect the love of God by using whatever they had over and above what was required to satisfy their customary needs to assist others who were less fortunate.

Fourth, the Church taught the dignity of human labor. This was in sharp contrast to such earlier views as that of the Greek thinkers, who regarded work as degrading, and that of the Old Testament, which at least in part regarded it as a curse. In the eyes of the Church, work served two worthwhile functions. It was a moral discipline for sinful men and it enabled them to gain command of the wealth with which they could sustain themselves and succor their unfortunate brethren.

Not all forms of work were considered acceptable in the sight of God. Whether or not trade fell into this category was a subject on which early writers had some difficulty making up their minds. Where the view was expressed that trade was evil, it was based on the supposition that commercial activities were really unnecessary and that they so completely absorbed man's interests and energies, in a way it was thought agriculture did not, that they subordinated the pursuit of salvation to the pursuit of wealth. Alongside this opinion was the perhaps more general view that trade properly motivated was acceptable because

it could be directed to a good end.

A fifth general presupposition inherited by the medieval Church, and one which it accepted almost without dissent, was that the taking and paying of money for the use of money was sinful. The medieval Church called this payment usury; we call it interest. The opposition to usury can be traced both to Hebrew law and early Christian practice. The Council of Nicaea (325) condemned usury and prohibited the clergy from involvement in it upon pain of losing their office.

We have already seen how Christian leaders maintained that their faith was committed irrevocably to no one civilization nor to the institutions of any particular civilization. Therefore, with the eleventh century revival of trade and commerce in Europe and with the appearance of a class engaged primarily in these economic activities, a most important task confronting the Church was not to condemn these endeavors as such, but rather to direct them into what it believed were the appropriate Christian channels.

The revival of trade and commerce put the Church to a difficult test because, as the largest landholder in Western Europe, it had an enormous vested interest in the feudal-manorial framework of medieval society. Anything which threatened the disintegration of the old agricultural order, no matter what it might offer in the way of potential benefits, was at the same time a potential threat to the Church, if only because it meant exchanging a known stake in society for one that was uncertain. There is ample evidence that many churchmen fully realized this and set their faces against altering existing arrangements. Nevertheless, others did attempt to meet changing conditions with a fresh look at what the Church believed. Thomas Aquinas was not the first thinker to undertake this, but his attempt was on a more extended scale than most others.

In the Summa Theologica, Aquinas discussed the social advantages of private possession of property:

> . . . Two things are competent to man in respect of exterior things. One is the power to procure and dispense them, and in this regard it is lawful for man to possess property. Moreover this is necessary to human life for three reasons. First because every man is more careful to procure what is for himself alone than that which is common to many or to all: since each one would shirk the labour and leave to another that which concerns the community, as happens where there is a great number of servants. Secondly, because human affairs are conducted in more orderly fashion if each man is charged with taking care of some particular thing himself, whereas there would be confusion if everyone had to look after any one thing indeterminately. Thirdly, because a more peaceful state is ensured to man if each one is contented with his own. Hence it is to be observed that quarrels arise more frequently where there

Church involved in feudalism, largest land owner in Europe.
usury - unproductive purposes. interest on money, wealth producing anything, therefore robbing man who borrows money.
private property - work harder, division of labor, + reduce quarrels

> is no division of the things possessed.
>
> The second thing that is competent to man with regard to external things is their use. In this respect man ought to possess external things, not as his own, but as common, so that, to wit, he is ready to communicate them to others in their need. . . .* use for the good of all.

His discussion of almsgiving is carried on in the context of the hierarchical, organic society of the Middle Ages where each man has his station, which he is obliged to relinquish only in dire emergencies: should help people below them, not above or at same level. Should not pull himself down.

> . . .A thing is necessary in two ways: first, because without it something is impossible, and it is altogether wrong to give alms out of what is necessary to us in this sense; for instance, if a man found himself in the presence of a case of urgency, and had merely sufficient to support himself and his children, or others under his charge, he would be throwing away his life and that of others if he were to give away in alms, what was then necessary to him. Yet I say this without prejudice to such a case as might happen, supposing that by depriving himself of necessaries a man might help a great personage, and a support of the Church or State, since it would be a praiseworthy act to endanger one's life and the lives of those who are under our charge for the delivery of such a person, since the common good is to be preferred to one's own.
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> Secondly, a thing is said to be necessary, if a man cannot without it live in keeping with his social station, as regards either himself or those of whom he has charge. The necessary considered thus is not an invariable quantity, for one might add much more to a man's property, and yet not go beyond what he needs in this way, or one might take much from him, and he would still have sufficient for the decencies of life in keeping with his own position. Accordingly it is good to give alms of this kind of necessary; and it is a matter not of precept but of counsel. Yet it would be inordinate to deprive oneself of one's own, in order to give to others to such an extent that the residue would be insufficient for one to live in keeping with one's station and the ordinary occurrences of life: for no man ought to live unbecomingly. There are, however, three exceptions to the above rule. The first is when a man changes his state of life, for instance, by entering religion, for then he gives away all his possessions for Christ's sake, and does the deed of perfection by transferring himself to another state. Secondly, when that which he deprives himself of, though it be required for

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* The "Summa Theologica" of St. Thomas Aquinas, trans. Fathers of the English Dominican Province (London: Burns, Oates & Washbourne, Ltd.), X, 224. Used with permission of the publisher and of Benziger Brothers, Inc.

has responsibility for those underneath him, a status suitable for all.

Organic nature - well being of the whole depends on each doing its own part.

the decencies of life, can nevertheless easily be recovered, so that he does not suffer extreme inconvenience. Thirdly, when he is in presence of extreme indigence in an individual, or great need on the part of the common weal. For in such cases it would seem praiseworthy to forego the requirements of one's station, in order to provide for a greater need.... *

Aquinas wanted to arrive at general principles which could be applied to determine prices and wages that would meet the standards of Christian justice. It is clear that he believed the ends of justice would be served if one was recompensed for his work according to his station in life. A person's income -- the sum total of the prices or wages he received -- would be a just one if it enabled him to maintain himself and his dependents in the station in life to which they had been accustomed. Given the long experience of a relatively static manorial economy, it was thought right that a man should enjoy the level of living that his fathers before him had enjoyed. It was taken for granted that if a person rose above the station in which he found himself he must have done so at the expense of his fellowmen.

In the excerpt which follows, Aquinas discusses the concept of a "just price":

..It is altogether sinful to have recourse to deceit in order to sell a thing for more than its just price, because this is to deceive one's neighbour so as to injure him...

But, apart from fraud, we may speak of buying and selling in two ways. First, as considered in themselves, and from this point of view, buying and selling seem to be established for the common advantage of both parties, one of whom requires that which belongs to the other, and vice versa, as the Philosopher states (Polit. i. 3). Now whatever is established for the common advantage, should not be more of a burden to one party than to another, and consequently all contracts between them should observe equality of thing and thing. Again, the quality of a thing that comes into human use is measured by the price given for it, for which purpose money was invented, as stated in Ethic. v. 5. Therefore if either the price exceed the quantity of the thing's worth, or conversely, the thing exceed the price, there is no longer the equality of justice: and consequently, to sell a thing for more than its worth, or to buy it for less than its worth, is in itself unjust and unlawful.

Secondly we may speak of buying and selling, considered as accidentally tending to the advantage of one party, and to the disadvantage of the other: for instance, when a man

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* Ibid., IX, 420-421

Price depends on who is selling + who is buying.
Do not you can get either way. Diff. What is the just price!
Buying + selling may be to the advantage of both parties ∴ not evil.

has great need of a certain thing, while another man will suffer if he be without it. In such a case the just price will depend not only on the thing sold, but on the loss which the sale brings on the seller. And thus it will be lawful to sell a thing for more than it is worth in itself, though the price paid be not more than it is worth to the owner. Yet if the one man derive a great advantage by becoming possessed of the other man's property, and the seller be not at a loss through being without that thing, the latter ought not to raise the price, because the advantage accruing to the buyer, is not due to the seller, but to a circumstance affecting the buyer. Now no man should sell what is not his, though he may charge for the loss he suffers.

On the other hand if a man find that he derives great advantage from something he has bought, he may, of his own accord, pay the seller something over and above; and this pertains to his honesty.

...human law is given to the 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. Accordingly, if without employing deceit the seller disposes of his goods for more than their worth, or the buyer obtain them for less than their worth, the law looks upon this as licit, and provides no punishment for so doing, unless the excess be too great, because then even human law demands restitution to be made, for instance if a man be deceived in regard of more than half the amount of the just price of a thing.

On the other hand the Divine law leaves nothing unpunished that is contrary to virtue. Hence, according to the Divine law, it is reckoned unlawful if the equality of justice be not observed in buying and selling: and he who has received more than he ought must make compensation to him that has suffered loss, if the loss be considerable. I add this condition, because 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. *

Modern economists sometimes justify interest partly on the grounds that capital, for the use of which interest is paid, makes human labor more productive than it would otherwise be. For example, a new machine makes it possible for a worker to produce more goods and earn more wages. Therefore, the person who makes available the funds used to buy the new equipment should, it is argued, share in the increase in production which

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* Ibid., X, 318-320.

usury - later - since loaner wouldn't have money to use while loanee is using it, it is a loss to him. Therefore it is lawful.

just price - should charge enough to support himself.

results, since we cannot attribute all of the increase to labor. (This latter point is disputed by those who maintain that labor alone creates value in goods).

The thought of Aquinas ran along quite different lines from these just described. He not only accepted the earlier Christian views identifying interest and usury, but actually reinforced them with views of Aristotle, who believed that money itself was unproductive or barren and that therefore it was unnatural to pay money for the use of money. The attitude which considered any repayment above the amount of money borrowed as usury, and accordingly sinful, can be justified as altogether appropriate in times when most loans were "disaster loans" used to avert or alleviate personal misfortune and when the rates of interest charged were often fantastically high. In such cases exacting interest seemed to be taking unfair advantage of one's fellowmen. When, with the revival of trade and commerce, loans were made for productive purposes and when Christians began entering the field of moneylending hitherto virtually monopolized by Jews, the old views were bound to be reexamined. A loan used to finance a voyage might result in great financial gain for the person who contracted it. Under these circumstances, should it not be permissible for the person who advanced the money to share in the gain? Aquinas studied this question. We have his answer in the following selection:

> ...It is by no means lawful to induce a man to sin, yet it is lawful to make use of another's sin for a good end, since even God uses all sin for some good, since He draws some good from every evil as stated in the Enchiridion (xi.). Hence when Publicola asked whether it were lawful to make use of an oath taken by a man swearing by false gods (which is a manifest sin, for he gives Divine honour to them) Augustine (Ep. xlvii.) answered that he who uses, not for a bad but for a good purpose, the oath of a man that swears by false gods, is a party, not to his sin of swearing by demons, but to his good compact whereby he kept his word. If however he were to induce him to swear by false gods, he would sin.
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> Accordingly we must also answer to the question in point that it is by no means lawful to induce a man to lend under a condition of usury: yet it is lawful to borrow for usury from a man who is ready to do so and is a usurer by profession; provided the borrower have a good end in view, such as the relief of his own or another's need...]. *

It is clear that in treating the subjects of property, almsgiving, just price, and usury, Aquinas had done nothing more than he set out to do: reinterpret the presuppositions of earlier Christian thought in the light of changing circumstances. The prejudice of Aristotle against the bustling life of trade

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* Ibid., X, 340.

and commerce, which he regarded as undignified and unbecoming, coincided with the existing Christian evaluation that trade and commerce did indeed place very great temptations before men. Aquinas did not abandon all this to embrace free competition and the profit motive as the regulator and motivator for economic activity.

It is impossible to determine with any degree of accuracy just how much influence the Church's views on economic matters had, either before or after Aquinas. They may well have been partially responsible for the laws which provided for regulating prices and other market conditions. They probably help to explain the hold on medieval economic life of the guild, with its attempts to prevent one merchant or craftsman from rising much above another. These views have lingered on. Many Catholics, and some non-Catholics, remain convinced of their validity in modern times.

Basic changes in the medieval economy were under way and accelerating during and after the eleventh century. The Church proved very reluctant to move much beyond the position taken by Aquinas in the thirteenth century. For example, Church councils repeatedly condemned usury and threatened to punish those who engaged in it by such measures as withholding from them the sacraments or denying them Christian burial. At the same time, however, the Church began to allow an increasing number of exceptions to payments it considered usury where it could be argued that the end in mind was a charitable or usefully productive one. In addition, many devices were used to hide the fact that interest was being paid. In the early sixteenth century, when the Protestant movement began, one of the many criticisms being directed against the Church was that it had failed to come to grips sufficiently with the fact of economic change to keep in step with the times. Later, with the growth of a body of secular economic thought, divorced from religious presuppositions, usury came to be defined as a rate of interest in excess of the rate determined by law. The concept of just price gave way to an explanation of prices in terms of the supply of and demand for goods, in which such factors as scarcity and utility are the important considerations and the market place, rather than the church, provides the regulator.

Church was quick to human conduct.
Church became worldly.
Very high rates of interest (under-developed countries)
Poor were the average group
People who owns the property have the responsibility to help the poor. (The Church said this)
Church form organized charity programs