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Commentary
on the Resolution
of Money

Martín de Azpilcueta
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Introduction

Martín de Azpilcueta: Biographical and Scientific Profile

Martín de Azpilcueta y Jaureguizar (1492–1586),¹ known as Doctor Navarrus, earned a bachelor in theology degree at Alcalá University. Later, he completed his training in Toulouse, the most renowned center for juridical studies in France, where he received the degree of doctor in canon law (1518) and gained his first teaching experiences.

As of 1524, he had served in several Canon law chairs at the University of Salamanca, and, together with Francisco de Vitoria, he renovated the juridical

¹ The classical biographers are M. Arigita y Lasa, *El Doctor Navarrus Don Martín de Azpilcueta y sus obras: Estudio histórico-crítico* (Pamplona: J. Ezquerro, 1895); H. De Olóriz, *Nueva biografía del Doctor Navarrus D. Martín de Azpilcueta y enumeración de sus obras* (Pamplona: N. Aramburu, 1916). E. Tejero gathers information of biographical writings on Azpilcueta: “Los escritos sobre el Doctor Navarrus,” in *Estudios sobre el Doctor Navarrus: En el IV centenario de la muerte de Martín de Azpilcueta*, ed. Gobierno de Navarra (Pamplona: Universidad de Navarra, 1988), 22–34.

and theological thought of the day.² Some years later, in 1538, he was invited by the kings of Portugal and Spain to transfer to Coimbra University for a brief period, which extended until 1556 when he returned to Spain to devote himself entirely to his writings.

In June 1561, Martín was appointed defense counsel in the criminal proceedings brought against the Toledo archbishop Bartolomé de Carranza, a case that took him to Rome in August 1567, where, together with his work as defense counsel, he was appointed advisor in the Supreme Penitentiary Tribunal then Major Penitentiary, on the initiative of Pius V and Carlos Borromeo. He died there at the age of ninety-three.

Although he worked in numerous disciplines, his most important doctrinal contribution was in the field of canon law and morality. Among his numerous written works the most important is the *Manual de confesores y penitentes*³ because of its significance and influence with a complex writing process that originated in a chance happening (1549) and developed in consecutive stages until it achieved its final form (Salamanca, 1556). It was an immense publishing success: In the second half of the sixteenth century and first quarter of the seventeenth, it ran to eighty-one editions, with ninety-two more in revisions, versions, and abridgments. First written in Portuguese, then in Spanish, and finally in Latin, it was translated several times into Italian and French.⁴

² In a work that contains many autobiographical notes, Azpilcueta himself says: “Nobody denies that I brought from Tolosa, in France, to the University of Salamanca ... the solid and useful science of Canon Law. The same as, a year later, Francisco de Vitoria, as wise as he is pious, introduced an elaborate theology, studied at the University of Paris.” “Apologetic Letter from Martín de Azpilcueta to don Gabriel de la Cueva, Duque de Albuquerque,” in *Comentario Resolutorio de Cambios*, introduction and critical text by A. Ullastres, L. Pereña, and J. Pérez Prendes, “Corpus Hispanorum de Pace,” 4 (Madrid: Consejo Superior de Investigaciones Científicas, 1965), 43–44.

³ Tr. note: *Handbook for Confessors and Penitents*.

⁴ An almost exhaustive catalogue of the editions appears in E. Dunoyer, *L'Enchiridion confessoriorum del Navarrus: Dissertatio ad lauream in facultate S. Theologiae apud Pontificium Institutum “Angelicum” de Urbe* (Pamplona: Gurrea, 1957).

As its title suggests, the *Manual* is a work directed to the pastoral aspect of penance. It deals with issues considered necessary for the administration of the sacrament. However, the most important work by Doctor Navarrus extends beyond the genre of the *Sumas de penitencia*, which originated at the end of the thirteenth century and was based on the precedent of the *libri poenitentiales* of the Late Middle Ages with few doctrinal developments and was organized alphabetically according to terms, much like a dictionary. Because of its systematic structure and doctrinal vigor, Azpilcueta's *Manual de confesores* is considered a milestone in the emergence of moral theology as an autonomous discipline⁵ at the beginning of the seventeenth century.

The *Commentary on the Resolution of Money* (CRM) is one of four appendixes to this *Manual* and as such belongs to Navarrus's group of moral writings. In them, the author recommends guiding criteria for pastors and penitents and indirectly offers acute observations and an analysis of the economic reality of his time, which has recently attracted the attention of economic historians.

The Scholastics and the Historiography of Economic Thought

The historiography of economic thought has become increasingly interested in the moral literature of the second Scholastic period, which looks into the economic practices of sixteenth-century commercial capitalism. Although such interest regards the whole of scholasticism, it especially considers the authors

⁵ Cf. R. Muñoz, *Moral y economía en la obra de Martín de Azpilcueta* (Pamplona: Ediciones Universidad de Navarra, 1998), 111–22; J. Theiner, *Die Entwicklung der Moralthologie zur eigenständigen Disziplin* (Regensburg: F. Pustet, 1970).

of the late Scholastic or second Scholastic period, which peaked during the Spanish *Siglo de Oro*⁶ with the so-called School of Salamanca.⁷

During the sixteenth century, there was a theological renaissance driven by the changes that gave way to a new social and cultural life that put an end to the medieval model. Together with specifically theological matters—the need for renovation and the later Protestant reforms that were the immediate antecedents to the Council of Trent—other factors were the new idea of man and society; the demographic expansion in Europe; the surge of modern national states; and the discovery of the New World, with a massive affluence of precious metals and new markets in the Indies. Both circumstances soon had an effect on Spanish prices.

These phenomena, together with the development of banking activities and new forms of payment, gave way to an increasing capital flow and to the growth of credit and speculative activity, all of which became a formidable challenge for moral theology.

The new theological genres included the works of the penitential pastoral and *de iustitia et iure* treatises, along with more specific ones such as Azpilcueta's CRM. In them, we find observations on monopolies, just pricing, taxes, banking or credit practices, currency markets, and so forth. The publishing of new essays and J. Schumpeter's *History of Economic Analysis* (1954), devoted largely to the Scholastic doctors, have made some historiographers defend the Scholastic literature as an important precedent for the

⁶ Tr. note: *Siglo de Oro*: A period of great prosperity, happiness, and achievement in Spain (1555).

⁷ Among the recent bibliography, O. Langholm may be consulted, *Economics in the Medieval Schools: Wealth, Exchange, Value, Money, and Usury According to the Paris Theological Tradition 1200–1350* (Leiden: E. J. Brill, 1992); M. N. Rothbard, *Economic Thought before Adam Smith: An Austrian Perspective in the History of Economic Thought*, vol. 1 (Hants, U.K.: Edward Elgar Publishing, 1995); A. del Vigo Gutiérrez, *Cambistas mercaderes y banqueros en el Siglo de Oro español* (Madrid: BAC, 1997); F. Gomez Camacho, *Economía y filosofía moral: la formación del pensamiento económico europeo en la Escolástica Española* (Madrid: Síntesis, 1998).

specifically scientific analysis of the economy and have even led them to think of its authors as founders of modern economics.⁸

In this context, Azpilcueta's work plays a singular role. Perhaps the greatest originality of Doctor Navarrus and the issue that has most attracted economists is precisely the quality of his analysis regarding the value of money, as is reflected in the CRM.

The development of monetary doctrines had been driven by the expansion of commerce in the last centuries of the Middle Ages, the evolution of currency and alternative means of payment, the commercial fairs of Castile, and the consecutive consolidation and improvement of banking and financial activities.⁹ In Navarrus's case in particular, the price revolution in Castile precipitated his writing.

In fact, one of the first consequences for the Castilian economy of the sixteenth century caused by the supply of precious metals from America was steady price increases. E. J. Hamilton tried to quantify this flux and to examine its effects on prices, salaries, and economic welfare.¹⁰ He concluded that the importation of metal was the cause for prices to triple between 1501 and 1600. Other authors have toned down Hamilton's statements (correcting calculations and adding other factors with inflationary effects and complementary

⁸ A study of the main views in the debate may be seen in R. Muñoz, *Moral y Economía en la obra de Martín de Azpilcueta*, 22–69. For an English summary, see R. Muñoz, "Scholastic Morality and the Birth of Economics: The Thought of Martín de Azpilcueta," *Journal of Markets & Morality* 4, no. 1 (2001): 14–42.

⁹ For monetary aspects, banking activity, and commercial fairs, see H. Lapeyre, *Une famille de marchands: les Ruiz* (Paris: Colin, 1955), 241–71 and 475–501; R. Carande, *Carlos V y sus banqueros: La vida económica en Castilla (1516–1556)* (Madrid: Sociedad de Estudios y Publicaciones, 1965), 223–53 and 295–349; F. Ruiz Martín, "La banca en España hasta 1782," in *El Banco de España: Una historia económica*, ed. A. Moreno Redondo (Madrid: Banco de España, 1970), 1–196; and P. Spufford, *Money and Its Use in Medieval Europe* (Cambridge: Cambridge University Press, 1989).

¹⁰ Cf. E. J. Hamilton, "Spanish Mercantilism before 1700," in *Facts and Factors in Economic History: Articles by Former Students*, ed. E. F. Gay (Cambridge: Harvard University Press, 1932), 214–39; Idem, *American Treasure and the Price Revolution in Spain, 1501–1650* (Cambridge: Harvard University Press, 1934).

information), but the critics have not offered other alternatives to the quantitative theory he espoused. Although there is not a univocal correspondence between the arrival of massive amounts of precious metals and the price increases, it is impossible to deny a causal relationship between these two elements.¹¹ In attempting to devise contemporary explanations for this phenomenon, Hamilton underestimated Scholastic reflection:

Few Spaniards had sufficient education to compose a mercantilist tract and the clergy had little inclination for economic speculation. The vast majority of outstanding Spanish mercantilists before 1700 were ecclesiastics, little acquainted with either the economic literature or life of financially advanced nations. Their profession afforded them scant opportunity to acquire the intricate economic knowledge requisite to fathom foreign exchange.¹²

However, other studies following Hamilton's showed the merits of the School of Salamanca's analysis (Azpilcueta among them) on the phenomenon of Castilian inflation. First, Dempsey, Ullastres, and Larraz, and some years later M. Grice-Hutchinson, defended Navarrus's role as precursor and encouraged a closer examination of his formulation of the quantitative theory of money.¹³

¹¹ Cf. J. Nadal Oller, "La revolución de los precios españoles en el XVI: Estado actual de la cuestión," *Hispania* 19 (1959): 503–29.

¹² E. J. Hamilton, "Spanish Mercantilism Before 1700," in *Facts and Factors in Economic History*, 230.

¹³ B. W. Dempsey, "The Historical Emergence of Quantity Theory," *Quarterly Journal of Economics* 50 (November 1935): 174–84; A. Ullastres, "Martín de Azpilcueta y su comentario resolutorio de cambios: Las ideas económicas de un moralista español del siglo XVI," *Anales de Economía* 3–4 (1941): 375–409; and 5 (1942): 51–95; J. Larraz López, *La época del mercantilismo en Castilla, 1500–1700* (Madrid: Atlas, 1943); Marjorie Grice-Hutchinson, *The School of Salamanca: Readings in Spanish Monetary Theory 1544–1605* (Oxford: Clarendon Press, 1952). This work by Ullastres, which was published in two parts in *Anales de Economía*, is reproduced as an introduction to the critical edition of the CRM, already cited (Madrid: Consejo Superior de Investigaciones Científicas, 1965), 42–117.

With some precedents in Aristotle and the medieval tradition, Jean Bodin (1568) was considered the first to demonstrate the principal cause of inflation. Larraz, however, pointed out how little space Bodin assigned to this issue and defended Salamanca's primacy, proving two things: first, that Bodin was preceded by the Spanish natural lawyers and moralists; and, second, that the Spanish school was broader than the French because the latter only linked monetary mass to price level, while the Spanish considered, too, a third interdependent factor, namely, foreign exchange.¹⁴

The issue here is not merely concerned with establishing precedence in the formulation of the quantitative theory of money. Grice-Hutchinson has said from a more general perspective that it was J. Schumpeter who realized that the origins of economic analysis lay in moral philosophy more than in mercantilism, as the majority of economic historians before had thought. Regarding the School of Salamanca, Grice-Hutchinson notes its consistent originality in a triple contribution to monetary theory: its formulation, in the first place, of a psychological theory of value that may be applied both to goods as well as to money; in the second place, of a quantitative theory; and, finally, its formulation of a theory of foreign exchanges similar to the modern theory of the parity of buying power that we do not usually associate with the sixteenth century.¹⁵

The Commentary on the Resolution of Money

We have already alluded to the historical context of the CRM by referencing the economic evolution of the sixteenth century. From an intellectual point of view, therefore, it is important to refer now to the problem of usury.

Doctrinal Context

The theory of usury is in many respects autonomous and of great significance for the Scholastics' commercial ethics. The reason is that doctrinal developments—perhaps here more than in any other aspect of economic ethics—have a multiseular tradition: The biblical writings and Roman law

¹⁴ J. Larraz, *La época del mercantilismo en Castilla* (Madrid: Aguilar, 1963), 86.

¹⁵ Marjoire Grice-Hutchinson, *The School of Salamanca*, 47ff.

texts were developed for the first time in the writings of the church fathers and shaped into the canonical legislation on usury, which extends for more than a thousand years. Often they are judged too hastily, and the medieval approach to the problem of usury is ruled out without paying too much attention to the economic reality of each period and to the arguments for why usury practices were considered unjust. As it is not possible to go into them in detail here, only a summary of their conceptual framework will be provided.¹⁶

Usury is applied to the loan of things whose use is their consumption (*mutuum*), such as wheat, wine, money, and so forth. Usurious was any retribution that was demanded for the use of a consumable good. The reason was that in such cases, because the use of the thing was inseparable to its consumption, the contract transferred the property, and the one who received it agreed on not giving back the same thing—which was impossible—but an equivalent quantity and genre of what had been received. For this reason, demanding anything more than the loaned capital (*ultra sortem*) was considered usury. Some of the arguments used were that it was illicit to sell time; that money, unlike other things, did not deteriorate with use; and that there was an absence of risk for the lender, who turned the interest into a profit that did not compensate for the work or risk and was therefore unjustified. Renting a house or a field was different because they were not consumed by use and had to be restituted themselves together with their fruits, that is, they allowed for the payment of a rent. The profit gained from the use of consumable goods

¹⁶ I have written on the evolution of usury in the Scholastics with some degree of thoroughness, focusing especially on Azpilcueta, in *Moral y economía en la obra de Martín de Azpilcueta*, 203–337. For a synthesis of the biblical perspectives, see A. Bernard, “Usure. I. La formation de la doctrine ecclésiastique sur l’usure,” *Dictionnaire de Théologie Catholique* 15, no. 2 (1950), 2317; H. Lesetre, “Pret,” *Dictionnaire de la Bible* 5 (1912): 617; Idem, “Usure,” *ibid.*, 2365–367. For a general perspective, G. Le Bras, “Usure. II. La doctrine ecclésiastique de l’usure à l’époque classique (XII–XV siècle),” *Dictionnaire de Théologie Catholique* 15, no. 2 (1950): 2336–372; the study by T. P. McLaughlin is magnificent, “The Teaching of the Canonist on Usury (XII, XIII, and XIV Centuries),” *Mediaeval Studies* 1 (1939): 81–147; and 2 (1940): 1–22. Even if guided by a debatable pre-supposition, J. T. Noonan’s work is a classic, *The Scholastic Analysis of Usury* (Cambridge: Harvard University Press, 1957).

was a fruit not of the goods but of the work applied to them; a retribution for what was deemed “mere lapse of time” (*inter esse*) was not allowed. Saint Thomas Aquinas’s example is instructive: He opposed giving money as a loan to giving money to a merchant or artisan in order to constitute a society. In the first case, there is a transference of ownership and risk for the loss of the thing, and, because of this, the lender should not ask for more. But the one who gives money to a merchant retains the property and risk, and may thus ask, as a fruit of the thing that belongs to him, a part of the profit gained.¹⁷

In addition to this consideration, which was the essence of the Scholastic doctrine on usury, there was a doctrine on *external titles*, that is, cases where payment was justified for extrinsic reasons to the *mutuum* contract. It was generally licit to pay a sum not as interest but for damage or loss to the lender (*damnum emergens*), as for example, a delay in fulfilling the contract. *Lucrum cessans* posed a more complex problem, and there were different opinions. In some authors, it is difficult to establish a clear distinction between the limits of a damage and the end of a profit or benefice. The development of this argument in the sixteenth century is interesting, finally justifying the payment of an interest only when the money is lent by a merchant, that is, by the one who gives money a productive use and undergoes an economic loss when lending. This is, for example, Azpilcueta’s case: “More is owed to the merchant for the money he deals with than to another who does not deal with anything. The consequence of which is that money pays better in the hands of merchants and money chargers who invest it ‘actively’ than in other hands in which it may end up being hoarded.”¹⁸

Finally, among the extrinsic titles is risk (*periculum sortis*), considered not as the possibility of the borrower’s insolvency so much as the risk of the possessions’ loss. In many cases, the risk was related to the danger of a long voyage: pirates, theft, shipwreck, and so forth. In any case, *periculum sortis* was unanimously rejected as a title to compensation.

Following Aristotle, the early Scholastics had already reflected on money, but the morality of exchange operations became important with Saint Antonino

¹⁷ Cf. *Summa Theologiae*, II-II, q. 78, a.2 ad 5.

¹⁸ M. de Azpilcueta, *Comentario resolutorio de usuras* (Salamanca: Andrea de Portonariis, 1556), 25, n. 52.

de Florencia's work and was officially approved in the sixteenth century with the publishing of Cajetan's (1498) *De cambiis* ("On Money"). Later, the subject matter of *de cambiis* became independent from the study of usury. Azpilcueta himself wrote a treatise about each one of those issues, and published them as appendices to the *Manual: The Comentario resolutorio de usuras* and the *Comentario resolutorio de cambios* (Salamanca, 1556). Such differences have more to do with juridical criteria than with doctrinal criteria, as money exchange operations were considered as long as they had a financing element and, thus by extension, were given the same moral treatment as usury.

As strange as the handling of this issue seems today, this is the formal structure behind the Scholastic reflection when considering compensation for credit and other types of monetary exchange that are similar to it. We should remember the distance between the economic reality of those days—deficiencies in the monetary system, the lack of a productive destiny for capital, credit, and so forth—and today's economic realities.

The Economic Ideas of the CRM¹⁹

The Concept of Exchange

The word *exchange* had two meanings for Navarrus. A general one, which the Romans called *permuta*, referred to the exchange of one thing for another or of money for money. In a restricted sense, it applied to the exchange of money for money or to other contracts that did not fit into the Roman law classification: some types of acquisition, rentals, and so forth. Thus, *exchange* meant "any contract of money for money that was not gratuitous," be it acquisition, deposit, or any other (CRM, par. 10).

¹⁹ A thorough analysis of the CRM may be found in Ullastres (cf. note 13) and in R. Muñoz, *Moral y economía en la obra de Martín de Azpilcueta*, 281–337. See also Bernard and Michele Gazier, *Or et monnaie chez Martin de Azpilcueta* (Paris: Economica, 1978).

The Different Uses of Money

Azpilcueta had no doubt about the need for money, which was based on eight uses (cf. CRM, pars. 11–12):

1. as a means of payment,
2. as a measure of the value of things,
3. as an employment in exchanges between coins of different metal, different value, or different places,
4. to display one's riches to others,
5. as an ornamental element in dress,
6. "to enliven with its presence,"
7. "to cure with its broth some illnesses" (the broth of gold was thought to have therapeutic properties), and
8. as pawn for a debt.

Obviously, some of these uses did not have an economic content. Regarding its use in exchanges (cf. par. 3), the author confronted Aristotle's negative opinion on the *crematistic* (the lucrative commerce with no limits, different from the exchanges made to satisfy domestic needs), which was, according to the philosopher, unnatural. The profit-based economy was for Aristotle a consequence of the invention of money. He illustrated it with an example: It was possible to give a double use to shoes: a natural one, as footwear, and an improper one as an object of exchange. Navarrus softened Aristotle's harsh opinion: As well as using shoes to trade with, using money in exchanges is not unnatural, even if it is a secondary use compared to the principal one. With this observation, the author put money on the same level as any other merchandise, and, consequently, established that the morality of exchanges did not depend on money as their object but on an equitable exchange (cf. CRM, par. 13).

Types of Exchange

Taking into account the earlier classifications (Silvestre, Cajetan), Azpilcueta offered seven types of exchange, some of which were in these precedents.

Exchanging as a Professional

More than a type of exchange, the author analyzed the licitness of the exchanger's occupation and his remuneration. He tended to accept it for the following reasons: (1) There is no usury if the payment rewards the work of the exchanger instead of the loan; (2) such profession is a service to the republic (common good), and the employees may receive a salary; and (3) if the money exchanger carries out a public function, it is just that he receive a retribution for it, and he may also receive payment by practicing the profession in private, although in this case, there is a possibility of fraud.

Exchanging for Small Coinage

In regard to the exchange of large denomination coins for small denomination ones, or the opposite, the author considered it licit to charge something for the service, even if such activity might be prohibited to private exchangers for reasons of monetary policy.

Exchanging for Bills of Exchange

The increase of commerce together with the coin scarcity forced the creation of alternative means of payment and the use of paper. The commercial fairs of Castile played an important role in this process.²⁰ Azpilcueta referred to it as the "virtual transference of money" to another place by means of a bill of exchange. The author thought that this form of exchange could be licitly rewarded, under the condition that the nominal price was equivalent to the sum rendered, as such payment compensated for the service rendered (the physical transportation of the money or the work involved to keep the money in a distant place) and not for the credit, in which case it would be an usurious practice (cf. CRM, par. 23). The exchanges made for reasons of place (*ratione loci*) were admitted unanimously. This was not the case with those made for reasons of time lapse (*ratione temporis*) because they were considered usurious.

²⁰ Cf. R. Carande, *Carlos V y sus banqueros*, 338; B. Aguilera Barchet, *Historia de la letra de cambio en España, seis siglos de práctica trayecticia* (Madrid: Tecnos, 1988).

Exchanging by True Transference

This expression referred to the physical transference of money, as opposed to its *virtual transfer*. The author referred to the acquisition of money in a certain place where it could be devalued for a certain reason, to take it where it would be exchanged for a higher price in order to obtain a profit in the two successive exchanges. This may be a primary form of what we know today as currency swapping. He believed that this type of exchange was licit, as long as it was carried out for a just price and more or less money was not given for advancing or postponing the payment.

Exchanging for Interest

The previously mentioned doctrine about extrinsic titles may apply here. The exchanger who by lending was harmed because of profit, loss, or damage could ask for compensation for the benefits that he renounced or for the damages suffered. The author adds: Merchants may charge more if the debt is due to the second fairs than if it is due to the first ones because the *lucrum cessans* is greater: “The exchanger who is prevented from exchanging for two fairs with his money, more is prevented from earning than if he is prevented from exchanging for one” (CRM, par. 34). However, he goes on to condemn the person who removed his money from the deal and transferred it from fair to fair for an interest that was equivalent to the amount he was used to gaining through commerce (CRM, par. 35). The reason for condemning it was the previous abandonment of commerce, which eliminated the possibility of *lucrum cessans*.

Azpilcueta considered time lapse relevant as long as it affected the amount of the damage or profit-loss and, with it, the compensation owed to the lender. However, setting aside the issues pertaining to interest, the term for the credit could not be taken into consideration to establish a retribution for the capital, as this was a reprehensible moral activity.

Exchanging for Safekeeping

This form of exchange consisted of the actual visible bank deposit, whereby the bank committed to making payments on behalf of the depositor. He believed it was a useful enterprise for the republic by which the exchanger could licitly be paid a salary because he “works in receiving, keeping, and

preparing the money of so many merchants, and in writing, giving, and keeping accounts with everyone” (CRM, par. 36). The author cleverly condemned those who deposited with the exchanger and “do not want to pay anything saying that what they earn with their money ... is enough for a salary ... and if the exchangers ask them for something, they leave them and go deal with others, and so that they are not left, they let them keep the salary owed to them, and take it from someone who does not owe it to them.”

Exchanging by Buying, Bartering, or Innominate Contract

It is described as if someone gave one hundred in Medina to receive one hundred ten in Flanders or the other way around. Then, with a great deal of realism, he sets himself apart from the juridical-formal structure of contracts, stating that there were actually two things that could make an exchange unjust: “the inequality of what is given and of what is to be taken,” and “taking for oneself more or less for advancing or postponing [the payment], or for giving a longer or shorter deadline for returning the money” (CRM, par. 41). Once rid of the formal juridical requirements (pars. 42–43), he tackled the main issue: “The difficulty is in declaring how a profit may be made justly by commutation of money.”

The Value of Money: The Quantitative Element

Navarrus thought that it was possible to establish the value of money by deciding when and how a currency, which was apparently equal to another, was worth more or less for a certain reason. He described eight factors that affected the value of money. It is worth noting that the author had an unstructured idea of money, tied to the monetary unit, whether in its nominal aspect or in the materiality of the metal, even if he went beyond the rigid notion of giving an immutable value to it. However, when evaluating his position, one should take into account the deficiencies of the monetary system in sixteenth-century Europe.

The eight factors that affected the value of money were

1. the inexistence of coins of the same metal;
2. metals of a different value;
3. the different shape and weight;
4. the diversity of the land in which they circulated;

5. decisions made by the authority relative to the context where the coin circulated or changes in the relationship between the legal value and the intrinsic value;
6. the diversity of time;
7. the lack and need of money; and
8. the presence or absence of different coins.

The first five factors of price variation address money's fluctuation between its purely metallic dimension and the nominal one. As for the time factor, the author admitted that it was a purely accidental consideration, but one that had a relationship with other factors that affected money's value.

The quantitative aspect is more interesting. Azpilcueta noted that money changed its value in relationship with its quantity. If goods got costlier because of the great need for them and their scarcity, that is, because of supply and demand, money was not an exception to this rule. Navarrus's words are sufficiently explicit:

The rest being the same, in the countries where there is a great lack of money, less money is given for marketable goods and even for the hands and work of men than where there is an abundance of it; as we can see from experience in France, where there is less money than in Spain bread, wine, wool, hands, and work cost less; and even in Spain, when there was less money, much less was given for marketable goods, the hands and work of men than later when the discoveries of the Indies covered it in silver and gold. The cause of which is that money is worth more where and when there is lack of it, than where and when there is an abundance, and what some say, that the lack of money reduces the price of everything, is born of the fact that their more than sufficient rise makes everything appear much lower, just as a small man next to a very tall man appears smaller than if he were next to his equal (CRM, par. 51).

Azpilcueta transcended a notion of money based on the nominal and metallic aspects and established its value based on its relationship with goods. In other words, money derived its value from its buying power. Also, given a certain moment in time and without the influence of other factors, there was a proportional quantitative relationship between the total amount of money available and the volume of merchandise—including the “work of men”—that

could be bought with that amount of money. The author's ideas may be summed up in three conclusions.

The first is that the abundance or scarcity of money affected the relationships that diverse sectors of the monetary system had among them, as well as the system itself considered in its totality—that is, the goods that could be acquired with these monetary units or with units of another system.

The second is that the value of money could rise or fall, not only because it was metal but also because it was a price for other things (CRM, par. 57). Money was considered something fixed when taken as a unit for counting, but its value was variable when considering the utility it brought to its possessor (CRM, par. 58).

The third is that Azpilcueta's clarity and his notion of money related to its buying power set him apart from the medieval theory that considered money as an invariable mass. After observing the phenomenon of Castilian inflation, Navarrus could no longer remain in that position. His observations were published twelve years before Jean Bodin's.

The Critical Text

The CRM's text, whose English version follows, appeared as an appendix to the cited principal edition of the *Manual de confesores* and was dedicated to the prince Don Carlos, son of Felipe II.²¹ The treatise—which followed another one on usury—extends from page 48 to page 104. The paragraphs are numbered, and each chapter is preceded by a summary of subjects. The Castilian text presents a difficult orthography, with marginal notes in Latin and abundant abbreviations. The version used by the Spanish editors corresponds to the one existing at the Madrid National Library (R/18063), signed by Miguel de Azpilcueta, which suggests that the exemplar may have belonged to the author.

The maturity of Azpilcueta's ideas should be situated around 1530, when he was professor at Salamanca and engaged in commentary on the *Decreto* and the *Decretales* (on usuries and exchanges). Indeed, the CRM appeared,

²¹ Cf. L. Pereña, "El comentario de cambios," in *Comentario resolutorio de cambios*, introducción y texto crítico de A. Ullastres, L. Pereña, and J. Pérez Prendes (Madrid: Consejo Superior de Investigaciones Científicas, 1965), 15–27.

according to its title and continuing with the genre developed in the field of canon law, as a commentary on the first part of the well-known Decretal *Naviganti*. However, the CRM was actually a genuine treatise on exchanges that widely exceeded its function of gloss on the Decretal. After dealing successfully in its first pages with the problems raised in the Decretal on the contract of maritime insurance, the author offered a detailed analysis of the main points regarding the matter *de cambiis*.

The CRM extended quickly. The last edition in Spanish, the tenth, is the one from Valladolid, 1569. Already there were translations into Portuguese (1560), Italian (1568), Latin by an unknown author (1569), and into French (1601). In the Latin edition of the *Manual de confesores* (Rome, 1573), the author disavowed that particular translation because it contained “many things contrary to my thoughts.” He did not, however, introduce a translation of the CRM into the Latin edition but rather provided a synthesis with some references to the Spanish edition (chap. 17 in the *Manual*), which he authorized as an interpretation of the 1556 original. The Spanish text was not edited again, while the Latin edition was reproduced many times in the editorial centers of Europe. The response of the author to five inquiries on the subject, published in another volume in 1583, are also of value, as they examine the application of these principles to tangible situations.

—Rodrigo Muñoz