

## Martín de Azpilcueta: The Spanish Scholastic on Usury and Time-Preference

*Pedro J. Caranti*

Midtown Educational Foundation  
1819 N. Wood Street,  
Chicago, IL 60622

*e-mail:* pedrojcaranti@gmail.com

### *Abstract:*

Martín de Azpilcueta and his fellow Spanish Scholastics writing and teaching at the University of Salamanca during Spain's Golden Age are rightly pointed to by historians of economic thought as being major contributors toward, if not outright founders of modern economic theory. Among these is the theory of time-preference for which Azpilcueta has repeatedly been given the credit for discovering. However, this discovery is a curious one given how the same man, Azpilcueta, condemned usury in general during his whole life. If Azpilcueta did in fact discover this theory and fully understand its implications, we would reasonably expect him to have questioned his support for the ban on charging an interest on a loan. This paper, therefore, challenges the claim that Azpilcueta understood and revived time-preference theory and shows how his understanding was much more nuanced, and, at times, inconsistent.

*Keywords:* Azpilcueta, Salamanca, usury, time-preference, loan, economics, scholasticism.

## 1. Introduction

Unearthed in the mid to late-20<sup>th</sup> century in the works of historians of economic thought by the likes of Joseph Schumpeter, Marjorie Grice-Hutchinson, and Murray N. Rothbard, the 16<sup>th</sup> century Spanish Scholastics at the University of Salamanca have been credited by these same writers for being the founders of modern economic thought, with some suggesting even that their writings are *proto-Austrian*. Indeed, with the New World and Golden Age Spain as their laboratory, the Salamancas – mostly philosophers, moral theologians, and canon law jurists – were able to make significant inroads in what today we know of as economics. Theories such as the quantity theory of money, purchasing power parity, and subjective value theory are all treated to some extent in their writings [5]. These writings, however, are not textbooks of pure economic theory; rather, they are pastoral in nature: works

which attempt to offer counsel to confessors and their penitents on thorny issues regarding money and trade that are both novel for their time and nuanced for the soul.

One of Salamanca's most celebrated minds is that of Martin de Azpilcueta's, a humble yet brilliant Augustinian priest and professor of canon law. Like his colleagues, Azpilcueta also delved into matters of economic nature, and it is in his writings on usury and exchange which accompany his colossal *Manual de confesores y penitentes* (1556) where Azpilcueta seems to state what economists today know as the theory of time-preference – that a good present and available today is more valuable than that same good available only at a future time, *ceteris paribus*. As we know, from this theory (known also as the time value of money) logically follows the theoretical basis for charging interest – a logical step that economists writing in the following centuries take, but one that Azpilcueta does not take in these texts or in his later writings. Still, some historians have claimed that Azpilcueta understood and wrote definitively on the theory of time-preference, even though, as they admit, he did not take the next logical step since he continued to condemn usury his entire life of 93 years. However, after a close digging and analysis of his writings on usury, including the statements that come nearest to time-preference, we argue that Azpilcueta does *not* in fact arrive at a clear and consistent explanation of the theory of time-preference.

## 2. Usury

Time-preference theory momentarily aside, a few words must be said, for context, of Azpilcueta's understanding and opinions on usury in general; after all, it is only with in this context that Azpilcueta deals with money and time to begin with. Azpilcueta addresses usury at length in the thirty-page appendix, the *Comentario resolutorio de usuras*, which expands upon Chapter XVII of the *Manual de confesores y penitentes* where he first touches upon the topic. Given the didactic nature of the *Manual* and its appendices, Azpilcueta lays out his thought here with great care, structure, and clarity. Happily for researcher, Azpilcueta defines his terms, draws out distinctions, cites sources, provides historical background, etc. Through these citations, we learn that the Scholastic tradition on usury, which Azpilcueta inherited and constantly alludes to or directly references in his writings, rests primarily on three authoritative texts, representing both the prohibition's biblical and Roman law roots: the *Glossa ordinaria*, the *Decreto Gratiani*, and Peter Lombard's *Sententiae*. Though these three serve as the basis of thought on the subject, together they offer a scarcely cohesive argument for the prohibition, thus forcing later Scholastics like Azpilcueta to continue writing and developing clearer lines of thought [6, p. 207].

As just mentioned, our author's first elaboration on usury comes in the *Comentario resolutorio de usuras* (*Commentary on Usury*), where in section five he defines usury as: "Usura, o logro ilícito, es ganancia estimable de su naturaleza a dinero, que principalmente se toma por razón del empréstito claro o encubierto" [1, p. 8].<sup>1</sup> Interestingly, in the very next sentence, Azpilcueta draws a distinction between usury (as just defined) and the *sin* of usury which he defines as taking or desiring that illicit gain. What we are to make exactly of his distinction Azpilcueta really does not say, but we can at least observe the importance he gives to intention in his analysis. Azpilcueta then continues by breaking down his definition, explaining what he means by each term. For our purposes, we can dwell on his elaboration of "principalmente." By this term, Azpilcueta means to stress that if monetary gain is the *primary* intent of the lender when making a loan, then this is usury or illicit gain. If, however, it is only a secondary intent or consequence, then the gain is not usury, i.e. illicit. In these cases, the borrower might, out of gratitude and friendship, repay more to the lender either out of his own liberality or as a charitable gift [6, p. 227].<sup>2</sup> Thus, for Azpilcueta, a usurer is anyone who hopes to receive more than what he lent. Thus, the *intention* of receiving more than what was lent is sufficient reason to be a usurer, regardless of whether or not more was in fact received. Furthermore, the nature of what the

usurer receives, be it food, clothing, or whatever, is irrelevant: intentionally receiving more than whatever was lent is usurious [6, p. 219].

In addition to his own definition, Azpilcueta makes reference to and incorporates into his own thinking the traditional definition of usury: the gain that is earned from a loan, the ownership of which was transferred to the borrower when the loan was made. Azpilcueta, thus, as did the Roman law tradition, distinguishes two classes of loans (both of which are gratuitous loans) [6, p. 219]. This first is the *commodatum*, a loan that does *not* transfer the ownership of the property lent to the borrower, and thereby obliges the borrower to return the same property that was lent to him. For example, if a man is lent a mule, he must return that same mule at the agreed upon time. The second class is the *mutuum*, a loan that *does* transfer the ownership of the property lent to the borrower, but still obliges the borrower to return property of the same quantity and specie as that which was lent to him. It is this second class of loans which, naturally, lends itself more to usurious activity. Usury, in the case of the *mutuum*, can be committed either blatantly (“claramente”) or covertly (“encubierta” or “paleada”): blatantly in cases where the good lent is consumed in its use, and thereby the loan is contracted in terms of the good’s weight, count, or measurement, and covertly as in cases where a sum higher than the just price is paid for the postponement of an exchange transaction [1, p. 7].

Explained as such, Azpilcueta leaves little doubt as to the firmness of his thought and support of the usury prohibition. Nevertheless, Azpilcueta and many of the preceding Scholastic thinkers do in fact justify charging interest in the case of what are called “extrinsic titles.” These “extrinsic titles” turn mostly upon the concept of *interesse*, which refers to the compensation justly owed to the lender either for damages incurred (*damnum emergens*) or profits lost (*lucrum cessans*) during the loan term [6, p. 239-240].<sup>3</sup> To give an example of each, *damnum emergens* can justify an interest charge when a lender who could use his money to repair the stove of his outdated house, instead lends his money to a neighbor facing a greater need, but then loses his house in a tragic fire. In this situation, the borrower may justly (and charitably) repay the lender more than what was lent to him. Similarly, *lucrum cessans* can justify an interest charge when a lender, who could use his money to buy merchandise and trade it, instead lends it to a neighbor, and loses the opportunity to gain a profit from trading the merchandise. Obviously, these concepts bring with them a lot more nuance than what we simplistically explain here, but at least we note these significant exceptions which Azpilcueta allows for. Moreover, the concept of *interesse* does seem to implicitly contain a consideration of time.

### 3. Scholarship on Azpilcueta and Time-Preference

Modern scholarship in English has made it seem that Azpilcueta achieved a mature understanding of time-preference, but closer reading and research show that his comprehension was not so neatly and conveniently straightforward. These relatively recent (yet, frankly, sparse) studies which consider Azpilcueta on time-preference depend entirely on one quotation from Azpilcueta’s work which was cited first by John T. Noonan in his *The Scholastic Analysis of Usury*.<sup>4</sup> To give some context, Azpilcueta’s quotation appears in Noonan’s chapter on the *census* contract where he analyzes in detail the nature and development of this kind of contract. Azpilcueta came down on the side of condemning *census* contracts, and it is in explaining Azpilcueta’s position (which Noonan finds somewhat contradictory) where Noonan inserts the following quotation:

Indeed, Navarrus [Azpilcueta] himself, treating of the sale of debts at a discount, concedes that such sales are lawful, ‘both because a claim on something is worth less than the thing itself, and because it is plain that that which is not usable for a year is less valuable than something of the same quality which is usable at once’ [7, p. 238].<sup>5</sup>

Noonan, however, leaves it at that: neither here nor elsewhere in his work, does he call Azpilcueta's statement the "theory of time-preference," or anything to that effect – he cites it here in support of this specific point, and moves on with his discussion of the *census* contract. Nevertheless, we have to admit that this quoted statement, seen on its own terms, does cogently capture and summarize the essence of the theory. At the very least, implicit is the understanding that a bird in the hand is worth more than two in the bush, as the saying goes.

We will return shortly to the interpretation of this quotation itself; however, for the moment, part of the significance of this quotation arises from the fact that historians of economic thought writing after Noonan have pointed to it as definite proof that Azpilcueta was a pioneer in the development of the theory. The most notable of these is Murray N. Rothbard, the prominent historian of economic thought writing from the perspective of the Austrian school.

In *Economic Thought before Adam Smith*, Rothbard surveys the development of economic thought all the way from Xenophon to Adam Smith [8]. In particular, Rothbard closely traces the thread of usury throughout his survey, so, when covering the School of Salamanca, a major focus of his historical analysis is, naturally, the Salamancan's treatment of usury. Rothbard writes in detail about every major Salamancan thinker chronologically, and covers Azpilcueta at some length. Here is where Noonan's quote surfaces and leads Rothbard to the claim:

One of Azpilcueta's most important contributions was to revive the vital concept of time-preference, perhaps under the influence of the works of its discoverer, San Bernardino of Siena. Azpilcueta pointed out, more clearly than Bernardino, that a present good, such as money, will naturally be worth more on the market than future goods, that is, goods that are now claims to money in the future. As Azpilcueta put it: 'a claim on something...' [8, p. 106-107].<sup>6</sup>

Noonan's quotation of Azpilcueta (shortened above) is the only textual evidence Rothbard draws upon to support his conclusion that Azpilcueta revitalized time-preference theory. Rothbard, therefore, must think that there is a strong enough understanding of time-preference implicit in this quotation alone to justify the conclusion that Azpilcueta "revived" the theory; otherwise, one would think Rothbard would not have concluded so straightforwardly. Interestingly enough, Rothbard immediately adds:

But if a future good is naturally less valuable than a present good on the market, then this insight should automatically justify 'usury' as the charging of interest not on 'time' but on the exchange of present goods (money) for a future claim on that money (an IOU). And yet, this seemingly simple deduction (simple to us who come after) was not made by Azpilcueta Navarrus [8, p. 107].

In terms of time-preference theory and its logical connection to interest, Rothbard's clear explanation makes sound sense. Nevertheless, as is his fashion at times, Rothbard does not immediately cite the quotation; but, given that he cites Noonan elsewhere in the same chapter, it is safe to say that Rothbard quotes Noonan's quotation of Azpilcueta here.

In a similar vein, Thomas E. Woods makes use of the quotation in *The Church and the Market* to make essentially the same point as Rothbard (though Wood's added twist is to champion Azpilcueta as an example of a Catholic clergyman and thinker making inroads in economic theory). Though Woods cites Noonan extensively throughout the chapter in which the Azpilcueta quote appears, he cites Rothbard when he says: "[Azpilcueta] taught that '*a claim on something is...*' Azpilcueta is correct, of course. But as soon as the implications of this point are grasped, the interest prohibition collapses at once" [10, p. 119]. With Azpilcueta's quotation now twice removed from its primary source, it does not come as much of a surprise that Woods comes to a quick and decisive conclusion himself, and, like

Rothbard, does not take into account the significant nuance and development within Azpilcueta's own thinking on usury and time. Nevertheless, given the influence and sometimes popular appeal of these two authors (among a few other authors as well), it will be worth tracing Azpilcueta's quotation back to its original source and context so as to analyze and see whether or not Azpilcueta's thought really went as far as Rothbard and Woods make it seem.

As mentioned, Noonan is the first to cite Azpilcueta's time-preference quotation and the only one who cites the primary text. Nevertheless, given the ambiguity of the bibliographical information which Noonan provides, and the unfortunate error contained in the quotation's footnote, it is understandable that none of these other scholars took the pain of corroborating the quotation in the original text.

#### 4. Time-Preference in Azpilcueta's Works

Noonan's footnote accompanying the quotation in question refers the reader and researcher to "Consilia, V, De usuris, 18" [7, p. 238].<sup>7</sup> The entry provided in Noonan's bibliography gives the information for Azpilcueta's *Opera omnia*, which he locates and dates to Venice, 1618 [7, p. 414]. The year 1618, however, corresponds to the date of *Opera omnia* as a whole and not to the dates of the works that actually comprise the compilation of Azpilcueta's works that is the *Opera omnia*. Under *Opera omnia*, Noonan lists the well-known *Commentarius de usuris* and *Commentarius resolutivus de cambiis* which are two appendices that follow the *Enchiridion sive Manuale confessoriorum et poenitentium* (*Manual de confesores y penitentes*), also listed in Noonan's entry.

The last remaining text that appears under *Opera omnia* is simply listed as "Consilia," but by this simplistic name Noonan means to cite Azpilcueta's *Consiliorum sive responsorum libri quinque, iuxta ordinem decretalium dispositi*. Of course, the "Consiliorum," as we will refer to it, was not as major of a work as the *Manual*, but here it is worth noting its significance. Published first in Rome in 1590, four years after Azpilcueta's death, the *Consiliorum* is his only work whose first edition was published posthumously. In fact, Azpilcueta did not quite finish organizing its contents, and his nephew, Miguel de Azpilcueta, took it upon himself to tie its loose ends and publish the work [6, p. 110]. As Azpilcueta's last work, culminating his long life of reflection and prolific writing, the *Consiliorum* is a collection of his opinions in response to the many consultations he received over the years regarding moral and canonical questions. Though this systematic compilation of decretals on a wide variety of topics were, as we said, his opinions, they were indeed his *final* opinions, and so they carried with them a great deal of canonical authority [6, p. 110]. Though the *Manual* underwent an impressive eighty-one number of editions, the *Consiliorum's* importance among his works is also attested to by the number of editions that followed the original edition: seventeen editions, ranging from 1590 to 1621 [9, p. 2110].

Returning to the 1618 *Opera omnia* cited by Noonan, the edition of the *Consilia* found inside it is not dated 1618 as would be expected, but 1603. Noonan does not note this discrepancy, and, furthermore, the section *De usuris, Consilium XVIII* in the 1603 edition contains no sentence in Latin that matches or at least resembles Noonan's translation of Azpilcueta's quote. The footnote citation, therefore, is inaccurate. However, the quote does indeed exist, but it is located in *De usuris, Consilium XV*. Interestingly enough, it is in both the 1590 and 1591 editions where the quote does appear in *Consilium XVIII*, written as such: "Tum quia minus valet actio ad rem aliquam, quam ipsa res praesens. Tum quia minoris valet id, quod non est futurum utile intra unum annum, alio eiusdem qualitatis, quod est futurum statim utile, ut palam est" [2, p. 471].

Despite the mistake in Noonan's citation, and the discrepancies between the different editions of the text, to Noonan's credit, he does faithfully translate the quoted Latin sentence. Another more literal rendering of the Latin text contains some minor stylistic differences, but the inherent meaning remains the same: "Both since [a claim] <with a view> to <obtaining> some thing is worth less than

the thing itself <present>, and since that which is not about to be useful within a year is of less value than something else of the same quality that is about to be useful immediately, as is obvious.”<sup>8</sup>

On its own terms, Azpilcueta’s statement does reveal a basic understanding of time-preference; but, since the quotation has been given so much importance, it would be valuable to further understand it in its textual context.

The sentence beginning “Tum quia minus...” forms part of Azpilcueta’s first response (“*Respondeo primo*”) to the question raised at the beginning of *Consilium XVIII*, following the typical format of the Scholastic method. However, Azpilcueta seems to repeat the question which was raised at the beginning of the section, so our focus can be drawn directly to the first “I respond:”

“I respond first, that the resolution of this doubt seems to depend on the resolution of the person who is asked <the question>: ‘Whether a claim at 100 that is to be terminated after a year, or two years, or three years, could be justly bought at less than 100.’ I answered affirmatively to this in *Manual Confess.* chapter 17 n. 230. Then by the authority of [Pope] Innocent, whom no one contradicts in the chapter ‘On the State,’ [in the section] ‘On Usury.’ Tum quia minoris valet actio ad rem aliquam ...” [2, p. 471].<sup>9</sup> By answering in the affirmative, Azpilcueta seems to approve this particular transaction (that of buying a claim for money for less than the claim’s face value) using the logic of time-preference which follows. However, he implies here that he wrote more extensively on this particular question and, thus, refers his reader to the *Manual*.

If we go, as directed, to Chapter XVII, number 230 of the *Manual de confesores y penitentes*, we discover that Azpilcueta sees a fundamental difference between buying and lending, between *comprar* and *prestar*. As in *Consilium XVIII*, Azpilcueta considers the question of *pagas verdes* (payments not to be made for a year or more) as opposed to *maduras* (present payments), and he affirms that *pagas verdes* are licit. Azpilcueta concludes this on the basis that a claim to a payment in the future is something that is *bought*, not something that is *lent*. Because a claim is bought (transfer of ownership), but, since it is useless until the time of payment, it is worth less in the present, not because it is money (i.e. in a loan), but because it is a *claim* to money. Azpilcueta reasons:

A nosotros...nos parece bien lo que a Cajetano [también le pareció] que las pagas, que llaman verdes, y que no le han de pagar hasta uno, dos, tres o más años, justamente las puede comprar por menos. Porque esto no es prestar, sino comprar. Y no comprar los dineros, que le habrá que pagar, sino el derecho de los cobrar de aquí a un año. Y este derecho por ser inútil [hasta] dentro de un año, vale menos que si desde luego fuese útil...Por esta razón de valer menos, se da menos, y no por sola la anticipación de la paga [3, p. 192].<sup>10</sup>

However, as Muñoz de Juana also perceptively points out, Azpilcueta jarringly contradicts his logic in the very next sentence. There he says (in summary) that someone who owes one hundred *ducats* cannot cancel his debt for less than one hundred [3, p. 192]. In other words, someone who has sold a claim for one hundred *ducats* in a year for less than one hundred cannot buy back the claim before the maturity date for less than one hundred. If Azpilcueta were to have reasoned based on his immediately preceding logic, he would have judged that such a discount would be licit.

The contradiction, therefore, raises eyebrows as to Azpilcueta’s consistency in general. Regarding this exact conundrum, Muñoz de Juana points out this passage as one of several examples throughout his works in which the spontaneity with which he writes in response to concrete cases sometimes leads him to contradict general doctrines previously laid out. In this instance, the underlying principle which he holds of equity in exchange does not prevent him from saying that *pagas verdes* are licit [6, p. 232]. In Muñoz de Juana’s words, this example show us “graphically the intellectual acumen of the author, and, at the same time, what on occasions seems to be a lack of expository rigor” [6, p. 232].<sup>11</sup> Thus, having started with just the one quotation used by Noonan from the *Consiliorum*, we can

begin to see by this analysis that Azpilcueta did not understand time-preference and its implications as thoroughly as some others have concluded.

To further show the nuance within Azpilcueta's thought, we can move from the *Consiliorum* and the *Manual* to an appendix of the latter: the *Commentarius resolutivus de cambiis* in Latin, *Comentario resolutorio de cambios* in Spanish, or *On Exchange: an Adjudicative Commentary* in the recent English translation. In Chapter XI, subtitled in English, "Exchange by Buying, Bartering, or Innominate Contract," Azpilcueta outlines eight different causes that can explain why money is worth more or less [4, p. 81].<sup>12</sup> The sixth reason Azpilcueta gives is "diversity of time" [4, p. 86]. The initial suspicion of a contemporary reader might be to think that here Azpilcueta will describe the time-preferences of both the buyer and seller that come to play when pricing an exchange transaction. Instead, Azpilcueta means by "diversity of time" something quite different: the value of a certain amount of money may be worth more or less as time passes, not because of the passage of time itself, but because of one or more of the seven other value-altering causes that happen to occur during that passage of time. To illustrate it, Azpilcueta gives the example of one hundred *ducats* which sometimes are worth more, sometimes less. As he explains it: "They would be worth less if there were now an abundance and, in one year's time, there were a scarcity, just as a measure of wheat is not worth as much in August when there is a great abundance of it, as in May when there is a scarcity of wheat, or less of it" [4, p. 86].

Then, as if to crush any lingering appeal to time itself as being a cause in its own right in the mutation of value, Azpilcueta immediately adds: "But money is never said to be worth more or less for giving it before or after, or for a longer or shorter period of time, if any of the other eight reasons that make it increase or decrease is not attached to the time factor, according to almost everyone's opinion" [4, p. 86].

The "time-factor" alone is not sufficient by itself to justify a higher or lower price; change in value over time must be explained in terms of the other causes. Therefore, *ceteris paribus*, one hundred *ducats* to be paid out in one year's time, for example, must have a present value of one hundred *ducats* to be licit. If, however, other factors change over time (as often happens), then the present value can justly be lower than one hundred. Given this argument, Azpilcueta's understanding of the "diversity of time" cause depends more on the quantity theory of money than on time-preference theory. After all, Azpilcueta is best known for his development of quantity theory, and it patently comes to bear in his analysis here.

The last place to look in *de Cambiis* for a potential hint of time-preference is the penultimate chapter: "Money that is Present and Money that is Absent" [4, p. 109]. However, quite on the contrary, Azpilcueta argues that money available in the present is worth more than money that is absent because of the cost and risk associated in making the absent money present. One hundred *ducats* present and available in Salamanca, say, are worth more than one hundred *ducats* in faraway Flanders because "the absence together with the dangers that occur and the expenses incurred are sufficient cause to make it worth less money than the money that is present" [4, p. 110-111]. Clearly then, by "present" and "absent," Azpilcueta refers to *spatial* presence and absence, not to *temporal* presence and absence. Thus, again, time itself remains secondary in these considerations: a mere accidental or incidental characteristic in the determination of value.

## 5. Conclusion

From these analyses of primary texts, we draw a two-fold conclusion. On the one hand, Azpilcueta sees that the value of money changes when measured at different moments in time, as happens with any good. On the other hand, he understands changes in value to be, not the result of the mere passage of time, but the result of other factors – abundance or scarcity, presence or absence, the quality of the coin, etc. – which can change value during a given passage of time [6, p. 320]. Azpilcueta, thus, does

not absolutely scratch time from the equation, but he rejects using the consideration of time exclusively when determining a just retribution to the lender. This limited consideration of time which Azpilcueta allows for still does not equal a full-fledged understanding of time-preference theory – a theory which holds precisely that, *ceteris paribus*, money present and usable today is worth more than the same amount of money in the future by virtue of the difference in time and, thereby, utility between the two. This said, nevertheless, we saw that an intuition of the theory is evident in the *Consilium XVIII* quotation where Azpilcueta positively affirms, in essence, that a bird in the hand is worth more than two in the bush. Azpilcueta, therefore, comes close to the theory, but does not take it any further.

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## Notes

1. “Usury, or illicit profit, is an estimable gain of money, which is principally earned on a loan, whether it be blatantly or covertly taken.” Translation mine.
2. Muñoz de Juana also notes in footnote 67 that this idea can already be found in St. Thomas Aquinas.
3. See also [7].
4. As the title might suggest, Noonan’s *The Scholastic Analysis of Usury* (1957) is perhaps the most exhaustive and detailed survey of the history of usury during the early, middle, and late-Medieval periods. Though the work is indeed regarded as an authority on the subject of usury and its history, it should be noted that Noonan’s works have not been without controversy due to their sometimes unorthodox moral presuppositions and intentions. Muñoz de Juana mentions himself: “Aunque desde presupuestos muy discutibles respecto de aspectos fundantes de la moral, que marcan el proyecto y la estructura de la obra, y que pesan incluso en algunos juicios históricos, ofrece información sobre la cuestión [Noonan]...” [6, p. 206, footnote 9].
5. *Italics* added.
6. *Italics* added.
7. See footnote 23 on p. 238 of [7]
8. Translation by Edward Macierowski, Ph.D., Professor of Philosophy, Benedictine College, Atchison, KS, on 14 February 2018.
9. Translation by Dale Parker, Ph.D. candidate, University of California, Los Angeles, on 16 February 2018.
10. “We agree as did Cajetan also that payments, which are called green, and that are not to be paid until one, two, three, or more years, can justly be bought for less. Because this is not to lend, but to buy. And this is not buying money which ought to be paid [in the future] but [buying] the right to claim



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[payment] in a year from now. And this claim, being useless for a year, is worth less than if it were useful [in the present]. For this reason, for being worth less, less is given, and not only for the anticipation of payment.” Translation mine.

11. Translation mine.

12. More on these eight causes in Chapter III.