

Editorial

*Raymond de Roover's Enduring
Contribution to Economic History*

For the same underlying reasons that moral theology is held in disrepute by many Western intellectuals, modern economists tend to glibly dismiss or just simply ignore the economic ideas of the scholastics. For many intellectuals nowadays, moral theology has come to signify a passé form of religious thinking that embraces irrationality and dogmatism, and economic historians—along with high profile figures in other disciplines—have all espoused this line of thought. Among the latter, in particular, the identification of scholastic economics with Aristotelian metaphysics and ecclesiastical authority has made modern economic professionals reticent or, at the very least, unreceptive to acknowledging any sophisticated analytical contribution to monetary and value theory by the Schoolmen or the Doctors—their sixteenth- and seventeenth-century heirs.

Among post-war historians, Raymond de Roover (1904–1972) was among the first to shed new light on the analytical significance of the scholastic contribution to price, money, and value theory, but his work was often attacked by positivist critics within the neoclassical mainstream. He taught in various European universities, as well as at Harvard University, University of Chicago, and Brooklyn College in The City University of New York. Although his research seemed to unsettle both economists and intellectual historians, it has come to inspire a new generation of revisionist economists, economic historians, political economists, philosophers, and moral theologians, who now write economic history from a broader history of ideas perspective in contrast to the conventional positivist historiography of the neoclassical mainstream.

In *Business, Banking, and Economic Thought*, Julius Kirshner, a former student and long-time friend and intellectual collaborator of de Roover's, described his mentor's research program as "less a work of synthesis than an elegant restatement of arguments and ideas which he had presented to the scholarly world during the [1940s, 1950s, and 1960s], in the hope of setting the record straight about the economic thought of the scholastics, and thereby sweeping a host of misconceptions about this subject in history's dustbin." De Roover belonged to a generation of medievalists who eagerly entered the *Kulturkampf* to battle the conventional wisdom that the Middle Ages had been a barren prelude to the commercial revolution of the sixteenth century. Along with a handful of fellow cobelligerents, de Roover devoted most of his career to demonstrating that a commercial revolution actually occurred in the twelfth and thirteenth centuries, and that many economic institutions and business techniques associated with twentieth-century capitalism are direct descendants of the Middle Ages and Renaissance.

For de Roover, however, this portrait of thriving economic activity remained incomplete. According to Kirshner, "He fully understood that medieval economic inventiveness had flourished in a milieu dominated by the *magisterium* of the Catholic Church, a realization that led him to reject the conceptual dogmas flowing from the pens of Marx, Sombart, Weber, and their followers. He was also dissatisfied with the denigrating treatment given the ideas of the Schoolmen by modern economists. The more he probed into the scholastic literature and modern commentaries upon it, the more he became convinced that the unbridgeable gulf separating modern economic theory from scholastic economic doctrines was an illusion crafted by apologists, polemicists, and ideologues."

Shortly before his death, de Roover wrote an essay (the only one I could find on the topic) on Cardinal Cajetan's (1469–1534) seminal opuscula on *cambium* or exchange dealings, which he used as a case in point to show the economic inventiveness that occurred within the Church's *magisterium* as scholastic method was applied to the concrete problems of sixteenth-century commercial morality. As de Roover himself indicates, Cajetan was a prolific writer. In addition to writing commentaries on Thomas' *Summa*, he wrote numerous philosophical and theological works, and his advice was often sought on the pressing issues of the day. In response to various requests for clarification of the moral questions involved in commercial transactions, Cajetan wrote three short treatises, or opuscles, on socioeconomic problems: one on usury; a second on the *montes pietatis*, which he stringently opposed; and a third on *cambium*, or exchange dealings.

The treatise on *cambium* was written in 1499 but first appeared as a discrete publication in 1506. It was later included in several sixteenth-century editions

of *Opuscula omnia* of Cardinal Cajetan. A modern, Latin edition of Cajetan's socioeconomic tracts was prepared by P. P. Zammit, O.P. and published in Rome in 1934. It is this edition that de Roover commends as the preferred standard for scholarly purposes and which serves as the source document for the English translation of Cardinal Cajetan's important treatise released for the first time in this issue of the *Journal of Markets & Morality*. The *Journal* sought and received clearance to reprint de Roover's unique essay as the introduction to our Cajetan scholia.

Numerous commentators have pointed out that Cajetan's *De cambiis* holds a decisive place in the history of economics because it set forth the fullest and most unqualified defense of the foreign exchange market at its date of publication. In his monumental *Economic Thought before Adam Smith*, Murray Rothbard argues that Cajetan's defense of the exchange market in *De cambiis* advanced the state of the art in monetary theory. Rothbard writes: "He showed trenchantly that money is a commodity, particularly when moving from one city to another, and is therefore subject to the demand and supply laws governing the prices of commodities. At this point, Cajetan made a great advance in monetary theory, indeed in economic theory generally. He pointed out that the value of money depends not only on *existing* demand and supply conditions, but also on present expectations of the future state of the market. Expectations of wars and famines, and of future changes in the supply of money, will affect its current value. Thus, Cardinal Cajetan, a sixteenth-century prince of the Church, can be considered the founder of expectations theory in economics."

Seminal ideas, which also include revolutionary economic ideas, never develop in intellectual, historical, religious, philosophical, or geographical vacuums. "Enlightened," secular reaction to the medieval Church's temporal jurisdiction and to theology's intellectual hegemony as the queen of the sciences has created a modern milieu where scholars are no longer even aware of the historical influence that churchmen and theologians have exerted in Western culture and university life. I hope that our scholia translations can help to overcome modernity's stubborn chronological snobbery.

—Stephen J. Grabill, Ph.D.