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Nominalism, Usury, and Bourgeois Man

Jacques Maritain's carefully worded final written testimony was paradoxically a preliminary sketch as well, written in both fear and hope: fear of not being able to get the thoughts down before he died, and hope that they would be taken up, debated, and criticized. I refer, of course, to the utopian project called "A Society Without Money,"¹ a strange and disturbing essay, without doubt the most revealing of Maritain's last writings. It is philosophy written *in extremis*, giving us the privilege of a remarkable moment of perception into the dying philosopher's innermost concerns. And what we find there can properly be termed amazing. For the essay in which he discloses his "obsession," as he calls it, the subject that "haunts" him on his deathbed, and which at the cost of "a vast and fearful effort" of his flickering energies he managed to commit to paper before his exhausted and broken ninety-year-old body failed him at last—this essay is a condemnation of usury.

It seems ironic, at the very least, that Maritain yearned for so long to give himself to a life of prayer and contemplation, but that when at last he was able to do so, he devoted his final intellectual energies to the most worldly of all concerns—money.

In "A Society Without Money" Maritain again, as he had done for four decades, analyzed the divergence of theory and practice that obtains under the capitalist treatment of money. To Bernard Doering we owe a thorough and sensitive description of the biographical context of this piece, combined with an orderly presentation of Maritain's earlier writings

¹Jacques Maritain, "A Society Without Money," *Review of Social Economy* 48 (1985): 73–83.

on the subject.² I can only commend Doering's study, and I will not add to or criticize it here. What I will attempt is a critique of Maritain's own analysis, which in turn will lead to some inferences I will make as to the place of interest in his sociopolitical thought.

"A Society Without Money" is not primarily a utopian tract about tokens and work, vacations and travel, but is first and foremost a long-delayed continuation of *Freedom in the Modern World* (1936), where he addressed directly and at length the question of usury. Maritain's arguments in the essay evince no real development in forty years, but do contain significant further clarification.

It was in *Religion and Culture* that Maritain first discussed the nature of money's perverse transformation into a "living organism." The place to begin our analysis, therefore, is with that brief, richly suggestive appendix called "The Fecundity of Money" (RC 56–57; FMW 126–33). Here Maritain, like Marx, pointed to the reversal of values that takes place under modern conditions of production.

Maritain meticulously expounds the question. What is at issue, he points out, is not the productive relation between money and the means of production, by which capital funds are invested in plant and equipment and receive a return in the form of profits. "No fault can be found in such a scheme." The evil arises because the reality diverges from this neat *theoretical* picture. *In practice*, modern productive forces are not harnessed to a human end, not primarily treated as a means to the end of producing useful commodities. On the contrary, money itself has been transformed into an end. The object of the productive process is thus to multiply currency. Money has, as it were, risen in revolt from its proper subordinate role as a means and a measure of wealth and has usurped the throne in the kingdom of ends.

The theory is unobjectionable: money feeds production because it is used to purchase capital equipment. Profit from that production is a normal and legitimate share of income. But the practice bears no resemblance to the unobjectionable "scheme." Goods are treated as means to the fructifying of money, which is now perceived as a "living organism."

In this transposition, the essentially instrumental nature of money has been lost. While production is a fruitful, organic process, money is inanimate, "barren," as the ancients used to say, and a mere measure of

²B. Doering, "The Economics of Jacques Maritain," *Review of Social Economy* 48 (1985): 64–72; Doering, "Misappropriating Maritain," *Commonweal* 112 (1985): 105–09.

value. It is the sign, not the signified.

The problem with Maritain's account in *Religion and Culture* is that he takes the argument of Aristotle, that money is *by nature* merely a measure of value and in itself "sterile," and subjects it to no further criticism or analysis. For him this is all there is to say about money. In book I, chapter X, of the *Politics*, Aristotle says:

Very much disliked also is the practice of charging interest; and the dislike is fully justified, for the gain arises out of currency itself, not as a product of that for which currency was provided. Currency was intended to be a means of exchange, whereas interest represents an increase in the currency itself. Hence its name [*tokos*, offspring], for each animal produces its like, and interest is currency born of currency. And so of all types of business this is the most contrary to nature.³

John T. Noonan and others have shown how Saint Thomas' definition of money led him to conclude that interest transgresses the principle of commutative justice—the principle of equal valuation in exchanges:

St. Thomas . . . fastens upon the statement [of Aristotle] that money is a measure. . . . As it is his custom to treat the essences of things, he will always consider money, formally, as a measure. . . . Money, thus formally considered, is conceived as having one constant, fixed value—its legal face value. Like other measures, money is considered independently from the things it measures, and as fixed and stable in its measurement.⁴

And, indeed, in the sense that Saint Thomas seems to be using the term, commutative justice was in his day often violated in money loans. In the modern regime of finance, however, interest can actually be said to serve the ends of commutative justice, insofar as it provides compensation for the future as well as the present value of the funds advanced. In other words, by adding a factor of time to present value, interest can be thought of as a just payment for a scarce factor.

³Aristotle, *Politics*, revised edition, trans. T.A. Sinclair (Harmondsworth, 1981), 87.

⁴John T. Noonan, *The Scholastic Analysis of Usury* (Cambridge, MA: Harvard University Press, 1957), 52. Two other works were of special value for the perspective of this essay: Joseph A. Schumpeter's thorough and sympathetic account of the Scholastics in his classic *History of Economic Analysis*, ed. Elizabeth Booddy Schumpeter (New York: Oxford University Press, 1954), 82–94, esp. 92–94; and the judicious study by a Jesuit economist, Thomas F. Divine, S.J., *Interest: An Historical and Analytical Study in Economics and Modern Ethics* (Milwaukee: Marquette University Press, 1958), esp. 36–63.

Why did Maritain not see this fundamental and commonly understood point? To comprehend precisely why the feeding of money by profits constitutes a reversal of means and ends, we must first direct our attention to the distinction, inherent in the Thomistic understanding of the virtues, between two spheres of human action, the *factibile* and the *agibile* (FMW 193–214; AS 7–22, TRA 21–46). Following this, we will examine Maritain’s and Thomas’ analyses of usury. After recasting the argument in the language of modern economics, we will come full circle to the passage on the fecundity of money, and observe that what “haunted” Maritain was not capitalism as such, but rather what he called “the nominalist decline” of philosophic thought (FMW 128, n. 3).

In briefest summary, the *factibile* concerns the realm of “poetic” or productive activity, “the application of human reason to the elaboration of some material” (FMW 197). Its object is making things, and its characteristic virtue is art.

The *agibile* appertains to the domain of moral activity, of free will. It concerns the use to which things are put. Its end is the act to be done, while the virtue corresponding to this sphere is prudence.

- *factibile*: sphere of action = production; end = thing to be made; virtue = art
- *agibile*: sphere of action = morality; end = act to be done; virtue = prudence

Maritain cites the *Summa Theologiae*, II-II, 66, 2, to explain this distinction and to uphold individual property. Turning to the passage, we find Saint Thomas pointing out mankind’s “twofold competence in relation to material things,” and thus distinguishing between caring for the earth’s resources (*procurandi et dispensandi*) and making proper use (*usus*) of them. As concerns the first, from a purely practical standpoint (not as a matter of natural law, but as a rational inference from it), the fashioning of earthly goods demands that the agent in control of the materials be an individual. But in regard to the second, acting morally with respect to the thing made requires that its use benefit the multitude. Thus, while production demands individual ownership, morality requires that the use of goods “must . . . be of service to all” (FMW 196).

- *factibile*: sphere of action = production; end = thing to be made; virtue = art; goods = held in private
- *agibile*: sphere of action = morality; end = act to be done; virtue = prudence; goods = used for community

What has happened to money in this exposition? In order to incorporate this troublesome outsider into the discussion of the economic order,

we must examine briefly the hoary topic of usury, the Church's repeated condemnations of which, Maritain wrote, "stand at the threshold of modern times like a burning interrogatory as to the lawfulness of its economy" (FMW 117).

A momentous change in the Church's attitude toward usury occurred during the eleventh century, when it began to be treated as a sin of injustice rather than uncharitableness.⁵ To exact more in return than had been lent at the outset was a form of theft, a violation of the right to private property. In our own day, however, usury, "the sovereign mistress of the bourgeois world," reigns over economic and social life (FMW 129). But usury must be sharply distinguished from profit. Again, Maritain's source is the *Summa*; this time the well-known question on usury, II-II, 78. That this question contains the verdict on both usury and profit, the latter being an innocent return, is highly significant.⁶ The antiusury argument is based on the fact that money is a "fungible" good whose use constitutes its consumption—like (to use the classic examples) wine or oil:

In such cases, the use of the thing should not be considered separately from the thing itself so that when someone is given the use of the thing, he is given the thing itself. . . . If someone wants to sell wine and to sell the use of wine, he sells the same thing twice or sells what does not exist—a clear sin against justice. . . . We call this usury.

[Moreover] according to the Philosopher money was devised to facilitate exchange, so that the proper and principal use of money is its use or expenditure when exchanges are carried out. Therefore it is wrong in itself to receive a payment for the use of a loan of money—which is called usury.

To summarize the argument thus far, this time having recourse to modern economic terms, we might recall from the principles of economics that each of the factors of production, land, labor, and capital, receives a return—it has a price. To the so-called "primary" inputs, land and labor, go

⁵Noonan, *Scholastic Analysis of Usury* 17, 30–31.

⁶Thomas Aquinas, *Summa Theologiae*, II-II, 78, 2 ad 5: "Somebody who lends money hands over the possession of it to the borrower, and with it the attendant risks and the obligations to make complete restitution, from which it follows that the lender is not entitled to ask for more. Somebody, on the other hand, who entrusts his money to a merchant or a craftsman in a sort of partnership does not hand over the ownership, and so it is still at his risk that the merchant trades or the craftsman works. The lender is, therefore, entitled to ask for a part of the profit of the undertaking in so far as it is also his own." See also II-II, 77, 4.

factor prices called rent and wages, respectively. Maritain considered wages to be a kind of substitute payment for the dividends received by capital, and he seems never to have attacked the wage system as such. I know of no references to rent in his works, but justifications of it are found in the same question of the *Summa* that treats usury.

But the case of the “secondary” input, capital, is more complicated. For just as there are two sorts of capital, so there are two categories of factor prices for it. Capital considered as equipment, factories, machinery, and the like—man’s art that enhances productivity—receives profit. To financial capital, the funds that are advanced in order to facilitate the purchase of the equipment and so forth, there goes interest. In Maritain’s analysis, then, of these four factor prices, three—rent, wages, and profit—he considered legitimate. But the fourth, interest, which unfortunately dominates the entire structure of modern economic life, serves to strangle civilized life itself (FMW 129).

Can Maritain really be saying that interest-taking in any form is always wrong? Remarkably, as he revealed forty years later in “A Society Without Money,” the answer is an unqualified Yes.

To understand fully the reason for Maritain’s perplexing obsession with interest, we must re-examine the language of the passage on the fecundity of money.

There, we remember, Maritain maintains that, while the theory or “scheme” of capitalism is unimpeachable, in practice it works in a manner “absolutely different.” Money is treated as a fertile, living being, so that—and here I believe is the key phrase—“the *sign* money predominat[es] over the *thing*, commodities useful to mankind.” What does he mean by this?

In the essay “Sign and Symbol,” Maritain developed the distinction between what he called the “magical” and the “logical” sign. The magical is “a sign *for the imagination* taken as a supreme arbiter or *dominant factor* of all psychic life,” whose sphere is the Dream, and whose medium is “the living ocean,” the “nocturnal regime of the imagination.” For persons whose cultural matrix precludes the daylight realm of the Logos, “the presence as to knowledge of the signified in the sign becomes . . . a presence as to reality, a physical interchangeability, a physical fusion, and a physical equivalence of the sign and the signified.”

What Maritain calls “the logical sign,” by contrast, exists “*for the intelligence* (speculative and practical) taken as the *dominant factor* of the

psychic regime.”⁷ The practical sign is a particular kind of logical sign helping to direct as well as denote the activities of individual persons as both makers and moral agents.

When “Sign and Symbol” is approached from the angle of the economic ideas I have just expounded, it becomes clear that money is properly regarded as one of those practical signs, “invented,” says Saint Thomas in his discussion of happiness, “by the art of man for the convenience of exchange and as a measure of things saleable.”⁸ By virtue of its having been created by man’s art, we can say that money is a *practical sign in the realm of the factibile*; it is property. At the same time, this practical sign must also be *agibile*, guided by the virtue of prudence to the common good.

But what do we find in the concrete operations of contemporary economic life? We see that, in direct contrast to its proper role, money stands outside the domain of the Logos altogether. It has, in practice, neither a *factibile* nor an *agibile* status. Instead, it functions like some hideous fertility goddess, being constantly fed by the output of the social economy. It has been perverted from a logical into a magical sign.

Thus we can see that Maritain’s remarkably vehement attacks on capitalism stemmed not from any consideration of economics per se or even primarily from considerations of justice (although these latter are certainly important). Rather, they take their place in what, from one angle at least, could be characterized as Maritain’s lifelong philosophical vocation: the attack on nominalism.

The fact that nominalism lies at the root of capitalism’s evils is evidenced by the language of Maritain’s excoriations of bourgeois man, which are notable for a comparative absence of references to injustice or exploitation. The problem with the bourgeois, Maritain said, was his detachment from things, his alienation from the world of real objects. Like Descartes, whom Maritain charged with committing the “original sin of modern philosophy,” what bourgeois man wants is “independence from things” (TR 77). Thus arises his narcissism: his polity evinces “no real common thought—no brains of its own, but a neutral, empty skull clad with mirrors” (MS 110). And why? Because, like primitive men under the sway of the magical sign, he is absorbed by the signs of things, rather than things themselves. “A whole idealist and nominalist metaphysic underlies his

⁷Jacques Maritain, “Sign and Symbol,” in *Ransoming the Time*, 217–54; quotations on 228, 232.

⁸Thomas Aquinas, *Summa Theologiae*, I-II, 2, 1.

comportment. Hence in the world created by him, the primacy of the sign: of opinion in political life, of money in economic life." And so capitalist society is one "not of men but of money and paper, of symbols of wealth, a society whose soul is the desire to produce more titles possession" (*IH* 78, 164).

So, in the end, Maritain's attitude gives equally cold comfort to both left and right.

That "A Society Without Money" evinces no modification or retreat whatsoever from his earlier censures of capitalism must be clear to anyone who reads it. But persons on the left ought to pause before embracing Maritain's conclusions, for his critique is seriously vitiated by several factors.

First, and most damaging, it rests on a fundamental misunderstanding of the nature of the regime of finance—and not, it should be pointed out, just capitalist finance, but that in any mode of production. Regardless of where or how the value of output is distributed, as long as a factor is scarce in relation to demand it must have a price. As Thomas F. Divine, S.J., writes, "Capital, like all scarce factors, has a marginal value determined by the demand for its services relative to its supply."⁹

Second, when Maritain merely considers capitalism in the abstract, it is clear he sees it as a system of wages, rents, and profits. That is, and I believe this is crucial to his mental picture of capitalism, he views interest as *extrinsic* to the system. Capitalism as such is an acceptable form of political economy. In fact, by doing an informal content analysis, I have found that, conceding a number of significant counterexamples, in the overwhelming majority of the scorching passages in which Maritain condemns capitalism, he is actually attacking not the "mode of production" itself, but rather the social structure that that mode has spawned, and in particular, of course, the contemptible figure of the Bourgeois.

So the trouble with capitalism is bourgeois man, the narcissistic nominalist, who is actually presented in a 1947 passage as exploiting even the capitalists themselves: "Manipulating as masters of the signs of other people's riches, [they] enslave the fortune of the world to their financial feudalism."¹⁰

The tableau of modern capitalism in Maritain's possibly unique view is thus as follows: land, labor, and capital in a regime of private investment

⁹Divine, *Interest*, 231.

¹⁰Jacques Maritain, *Raison et raisons* (1947), 253; quoted in Doering, "Economics of Jacques Maritain," 70.

and return receive their legitimate shares of income in the form of rent, wages, and profits. Outside and, as it were, above this system stands the bourgeois, now revealed as a usurer, paradoxically a creation of that very system—a manipulator of signs, who perverts this otherwise unexceptionable mode by subordinating it to the realm of money. Something organic is made to subserve something sterile in the monstrous belief that the money itself can create. But only nature (and human societies are natural) is fecund. Money only gauges that fecundity.

At the same time—and this is the final irony—it is equally true that Maritain's theoretical approval of capitalism is useless to the right. For this image of the system is not one that any serious analyst can credit. To say that capitalism is acceptable, as long as you don't have to pay interest, is to ignore both an essential part of the overall market mechanism and the historical developments of the last century, especially in the United States, where finance capitalism was pioneered by John Pierpont Morgan and his minions. The contemporary economic system could not exist without interest, without a bourgeoisie.

Maritain even condemned communities of nuns and priests for keeping passbook savings accounts.¹¹ Given the strength of his conviction, we can only assume that, when Pierre Villard fell among the other thousands of corpses on the Western Front in 1917, and willed his huge estate in equal shares to Jacques Maritain and Charles Maurras, Maritain chose to invest his portion in stocks rather than bonds—in investments yielding legitimate profits rather than illegitimate interest.

At the end of "A Society Without Money," Maritain, with all the old humility and generosity, confesses to the doubts that teem in his mind as soon as the most fundamental questions about his proposals arise. And he expresses the hope behind the essay: that a trained economist might one day be attracted by these thoughts and develop them further.

I am not that trained economist, but, to me, the essay discloses an amazing sight—the aged philosopher poised to undertake a new project altogether, setting down his preliminary notes, assessing where he is at the beginning of a long road, and hoping for that familiar thrill of disputation-al jousting, this time from a good economist—but knowing, too, that the road he was about to take led to an altogether different destination.

¹¹Maritain, "Society Without Money," 82.