

Peter A. Redpath

**The Uncommon Common Sense of
the Science of Economics:
Sound Money and How it Relates to the Economist as
Liberal Artist and Prudential Organizational Psychologist**

Well known to students of St. Thomas Aquinas is that he maintained that the whole of a science is contained in its principles and that its principles are contained in its definitions.¹ I take as my point of departure for this article a definition of money that I gave in the article I wrote for the 2019 Aquinas School of Leadership’s School of Economics inaugural issue for the *Studia Gilsoniana*. The title of that volume is *A Return to Pre-Modern Principles of Economic Science*.² Within that volume, the title of my article is, “Aristotle and Aquinas on the Virtue of Money as a Preservative of Justice in Business Affairs and States.”³

I take this definition of money as the starting point for my current analysis because, as a species of economic activity, the definition of money must contain what Aquinas considered to be his generic definition of the science of economics and the essential principles he thought this definition contains. The present article I write simply unpacks some

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¹ See, for example, St. Thomas Aquinas, *Commentary on the Epistle to the Hebrews*, 11:1; *Summa theologiae*, I, q. 1, a. 1.

² *Studia Gilsoniana* 8, no. 4 (October–December 2019).

³ *Ibid.*, 885–890.

implications contained in St. Thomas's generic definition of the science of economics of which money is a species.

In my 2019 article I had indicated that a species of proportionality in commutative exchanges that is an essential part of business activity "qualitatively makes intelligible the nature of money and economic exchange."⁴ That is, a species of proportionality in commutative exchanges that *seeks to preserve distributive justice* in terms of proportionate equality within these interactions causes the concept of economic activity to become born in us.

Before we can rightly or wrongly reason about economic activity, we must first understand that we possess the generic concept of such activity, that we have located it within its real, proximate genus and are thinking and talking about it chiefly in relation to this genus. A chief reason that to recognize economic activity we must induce distributive justice in commutative exchanges is that every species of economic activity in the form of a commutative exchange essentially involves an interaction that, at least implicitly, recognizes some real talent in the production and exchange of real, not fictional, human goods produced by different professions and professionals for satisfying natural, not fictional, human needs.

Production of, and even exchanging, these qualitatively unequal goods requires qualitatively different talents of more or less human difficulty to execute. To maintain an economic order, Aristotle and Aquinas had claimed, "The greater qualitative contribution that some professions make economically to a political order must be publicly recognized and justly compensated."⁵

If a political order (a city or a nation) is to exist, some means must exist: (1) for public recognition (consciousness *in the public psyche* or

⁴ *Ibid.*, 885.

⁵ *Ibid.*

public psychology/awareness) to be made of the natural qualitative inequality of products produced by qualitatively different talents existing with different professions and professionals for satisfying natural human needs, real human goods, and (2) for equating these qualitatively unequal talents according to a uniform measure of qualitative equality. In short, distributive justice must, in some way, be recognized as a necessary condition of commutative exchanges. Economic exchange cannot be totally reduced to commutative exchange and commutative justice.⁶

“If this does not happen, Aristotle and St. Thomas maintain that economic exchanges within a particular political order and between political regimes will stop!”⁷ To prevent this from happening, they assert that money, currency, was invented as a measure of market demand to establish fair pricing—of paying: (1) too much, (2) proportionately equal (fair price), or (3) too little, chiefly relative to a real need.⁸ In relationship to fulfilling real needs, *the existence of sound money, then, becomes a preservative of distributive justice in human exchanges and measure of economic virtue!*

The reason *sound money* can have this quality of being a measure of moral virtue (qualitative equality between extremes) in economic activity is because some human goods have a qualitative greatness relative to the preservation and promotion of real human needs (the greatest of which is the preservation and promotion of human life) than do other human goods. And *sound money* is able more or less precisely to measure this qualitative equality in arithmetically-quantifiable terms relative to market demand through a physical sign numerically-expressed!⁹

⁶ *Ibid.*

⁷ *Ibid.*, 885–886.

⁸ *Ibid.*, 886.

⁹ *Ibid.*

“The farmer, builder, and shoemaker produce qualitatively unequal useful goods, goods unequally useful for executing performance activity and keeping people alive, safe, and healthy. If human beings do not recognize the hierarchical inequality of business, and other, professions for the unequal contribution they make toward the preservation and promotion of human life and safety, perfecting the quality of human life” (that is, if they do not *psychologically recognize* the reality of distributive justice and have some means to apply it in the individual situation), “Aristotle and St. Thomas maintain that human beings will refuse to exchange goods and products, will refuse to engage in economic activity.” As St. Thomas says, when money loses its exchange power, human communication within an economic order stops and economic activity ceases to exist!¹⁰

Sound money and real economists enable “the real wealth (quality of talent of qualitatively unequal, but talented, people) and the generically unequal goods they produce (like those of the farmer, builder, cobbler, baker, and cosmetologist) to become members of the same genus of economic goods (enabling-means, goods productive of real, life-enhancing good) to be measured by a generically-common,” and qualitatively equal, “standard of use value.”¹¹ *Sound money and real economists*, that is, enable different professions to become economic professions, species of economic activity, and to endure as such. Considered as such, *sound money and real economists* function as *commonsense psychological signs* that real economic activity exists within a social order!

More than this, both serve as signs that a political order (a *polis* or nation) has started to come into being and actually exists at some time or other. In a sense, a city or nation starts, at least in part grows out

¹⁰ *Ibid.*, 887.

¹¹ *Ibid.*

of and remains in existence, because of *the psychological awareness of citizens and those with whom they trade of the existence of sound money*.

Atomic individuals do not generate cities, nations, or enable them to endure long term. Cities, nations, essentially grow out of and endure long term in part due to economic exchanges: unequally talented people psychologically agreeing to exchange goods and services that satisfy real human needs; and we measure economic activity according to a human being's relationship to needing something for some human use chiefly to fulfill some real human need related to life, safety, or health in the present that some talented person can satisfy. As the Ancient Greeks realized, a political order is a species of economic order. Family households with internal divisions of labor (an *oikonomia* [*oikos* /*nomos*]: a home regulated by law, household rules) must first exist before monetized economies (cities and nations) can come into being.

The reason for this is evident. Before cities or nations can come into existence, some common sense and the moral virtue of prudence must first exist within individual households and become distributed throughout neighborhoods and villages. Only a total fool, or someone lacking in some form of common sense and prudence, would exchange something for which he or she had a real need for something for which he had no need! Cities and nations can never grow out of households of total fools, families with no common sense, no prudence.

In part, cities and nations essentially grow out of *the psychologically recognized* exchange-power of real money. St. Thomas calls this exchange-power the "virtue" (*virtus*) of money; and only *sound money*—money that is recognizable as real money by someone with economic common sense, prudence—has the qualities of being recognizable and recognized by right understanding and reason as being real—can provide it with the essential quality of possessing this virtue. A chief reason for this is that only *sound money* has real (not fictional) exchange

power, qualitative, greatness. Only sound money is really useful for maintaining an economic order, city, or nation; and only a person in touch with economic reality (a person with prudential common sense) can recognize it.

“Because money can become useless if not backed up by the force of law, St. Thomas adds that, while human demand, need, is the measure of all good according to nature, money is the measure of all economic good according to human convention by law. Further, money enables us to have a measure by law within and between States, a measure of the quality of labor of a State, and of the productivity of a State’s workers: of the reciprocal proportionality of economic worth of labor and the hierarchy of professions within and between States. Hence, in a way, money is the measure of the social health of a State.”¹² A State with an inflated or deflated economy is essentially unhealthy, criminal, despotic, totalitarian.

Economic exchanges are not acts of theft, fraud. As St. Thomas repeatedly states, prudence is the form of all moral virtue.¹³ No moral virtue—not even the moral virtue of temperance or courage—is a complete moral virtue unless it is prudently applied in an individual situation. A person with the disposition to being just is a person essentially disposed to behave temperately, courageously, and with benevolence toward other people. Only a person possessed of the moral virtue of prudence is able to do this with complete virtue because only this person knows how to apply such qualities in the right situation, at the right time, and in the right way. Prudence is right reason (common sense) applied to moral choice: applying the right principle in the right situation in the right way (*applying the right means to the right end under the right circumstances*).

¹² *Ibid.*, 888.

¹³ See, for example, St. Thomas Aquinas, *Summa theologiae*, II-II, q. 47.

Common among the Ancient Greek philosophers, the pre-Socratic physicists and present in the very first beginnings of philosophy among the ancient physicists—including the Father of Western Philosophy: Thales—was the conviction that philosophy is a *psychological habit of uncommon commonsense wondering* about the existence, unity, and behavior of organizations, including economic ones. This habit of wondering essentially born of moral prudence was so common among them that they were often ridiculed for it. To anyone who has studied Ancient Greek philosophy the most well-known story about such ridicule being heaped upon these Ancient philosophers are those told by Plato¹⁴ and Aristotle.¹⁵

Plato's account portrays Thales as intellectually wise (having uncommon common sense), but lacking in ordinary (common) common sense. According to this tale attributed in origin to a Thracian servant-girl, the well-known astronomer was so lacking in ordinary (common) common sense that, while he was intellectually focused on contemplating the movement of the stars up above his head, he could not see what was in front of him, and he fell into a well.

Aristotle's version portrays Thales as an intellectual tired of being ridiculed for his poverty due to his lack of ordinary common sense who *used* his philosophical, scientific, knowledge (uncommon commonsense) of astronomy to make himself rich. Somehow, due to his observation of the winter movement of stars, Thales had concluded that the next spring and summer would produce a bumper crop of olives. Foreseeing with financial common sense that this would be the case, he had the prudence to put down a deposit at a low price for use of all the local olive presses. When the harvest time came, Aristotle tells us he then rented them out at any amount he wanted and quickly became rich.

¹⁴ Plato, *Theatetus*, 174a–174b.

¹⁵ Aristotle, *Politics*, bk. 1, ch. 11, 1259a 1–36.

While some people attributed Thales' success to an uncommon, scientific/philosophical wisdom (*uncommon* commonsense wisdom/common-knowledge perfection in understanding) on his part as an astronomer, Aristotle maintains this knowledge was nothing of the sort. It was based upon common economic knowledge (commonsense economic understanding/wisdom, moral prudence) universal to anybody who understands the nature of *monopolies* and how to use them to: (1) acquire wealth as a kind of *self-sufficiency* and, thereby, (2) become a *self-provider* (someone self-providential). Aristotle adds that this knowledge Thales had applied was simply commonsense financial wisdom/common financial understanding, moral prudence (*a commonsense meeting of understandings*) for many an Ancient Greek.

As indicative of this commonsense financial wisdom, moral prudence, Aristotle gives the example of a Sicilian merchant who had analogously applied the monopolistic financial practice Thales had used. The merchant did so by buying up all the iron from local iron mines and becoming the only seller of iron in Syracuse. Without increasing his price much, Aristotle reports that this man was quickly able to make a 200% profit on his initial investment. In addition, he says that, when the ruler of Syracuse, the tyrant Dionysius, had heard about what had happened, thinking that this man had discovered some secret way of making money that could hurt his political interests and career, he told the merchant he could keep his money, but only if he agreed to leave Syracuse.

Aristotle adds that, when they lack money, like households, city-states often monopolize, stock up on, necessary goods/*provisions* (*prudently see ahead*, create an abundance or storehouse [like a bank or treasury] of wealth) to sell them at a later date at a higher price. He even recommends this practice to rulers of city-states because, since a city-state is an organization of households, like an ordinary household, a city-state often lacks money. For this reason, *prudent* (commonsense)

rulers need to have their cities master the practice of being self-providers, monopoly, and should even have public officials devote themselves to the study of its use related to finance in general.¹⁶

While Aristotle glosses over the profundity of his observation regarding Thales and Thales' understanding of the nature of monopolies and how skillfully to practice them, while he does not treat this observation as a *Eureka!*-moment like that of Archimedes, he had every right to do so—especially in light of what Aristotle remarks about understanding the benefit that liberal arts education adds to acquisition of wealth.

According to Aristotle, work that is *most* an art and free (liberal) is the kind that *least* depends upon chance, uncertainty, contingency, and indeterminacy (like understanding *how to use* monopoly to make work as financially beneficial, productive, and enriching as actually possible [actually doable]). In contrast, work that is the *least artistic, free/liberal*, and *most servile* is bodily work that lacks direction by human understanding (common sense): the one that most depends upon all the aforementioned obstacles. Aristotle maintained that, for a human being, the most free, masterly, liberal art is the one that is the least servile and most *commonsensical*. Therefore, in a way, the most economical and economically healthy liberal art is the one that is *most humanly useful/humanistic, prudent to acquire*.

Such work most involves use of human understanding (prudently taking advantage of, leveraging, commonsense and uncommon commonsense wisdom) and least involves use of the body, while the most servile least depends upon human understanding (prudently taking advantage of, leveraging, commonsense and uncommon commonsense wisdom) most on a mindless body. What makes the arts to be arts and liberal is not simply understanding. It is right/beneficial, or virtuous

¹⁶ *Ibid.*

(especially *prudential*), *use* of understanding—one that, in a way, enables a person to take moral advantage of personal talent/skill to become like a sole-proprietor monopoly when exercising a human behavior: become someone better at doing/producing something humanly beneficial than everyone, or almost everyone, else. A great musical performer, for example, must have more than moral talent. He or she must know where, when, and how exercising such talent is healthy and safe to do.

Arts that are most truly liberal are those that *stretch* (extend in qualitative strength, width, and depth) *the human imagination so as to enable the human understanding to acquire and improve command and control over bodily movements and inculcate them with intellectual and moral virtue/common sense/prudence*. This is precisely what defines the arts of Thales and the Sicilian merchant, both of whom saw an essential connection to wealth-increase by *stretching* (educating) *their imaginations prudently* to synthesize three of their talents, applying some uncommon commonsense understanding related to the *use (application)* of the financial art of money making and *the liberal, rhetorical art of negotiating skills to reap great wealth from their understanding of physics (such as the movement of the stars and where to find [discover] iron)*.

According to Aristotle, *arts are chiefly psychological habits of excellent use (common sense)* that generate human wealth: human habits that make virtuous use of human understanding to remove the element of chance from beneficial, humanly enriching, action, action that truly improves, liberates, human life in the form of safe and healthy organizational being and action: human greatness! Because they are as good as they can be without the addition of intellectual assistance, servile arts, those that are the least truly liberal and humanly enriching, involve little endowed or acquired, virtuous human understanding (endowed or acquired common sense/virtue, prudence) rightly to direct

them. Naturally endowed virtue (commonsense wisdom), excellence, and a little intellectual experience (acquired commonsense wisdom) is enough for them analogously to be called *arts*.¹⁷

Nevertheless, adding acquired virtue (commonsense wisdom/common understanding wisdom, prudence) that makes human action certain/sure to succeed (lacking in contingency and chance), predictable and fixed, predetermined in outcome in this or that situation to already-existing, endowed virtue (commonsense wisdom/common understanding wisdom), adds a qualitatively higher form of liberty, human wealth/capital, and common sense (*a monopolistic quality of sole proprietorship*) to physical and psychological health and action that is a necessary condition for exercising free human life (and especially that of political life of a citizen), not the life of a slave or serf.

Furthermore, right (commonsense) use of monopoly (being a mono-polis, a city-state unto oneself, self-sufficient/determined/reliant) as a sole proprietor of one's own virtues/talents is a necessary (naturally endowed and acquired resource) form of wealth that is a necessary condition for acquisition of all other species of wealth. Wealth chiefly consists in having and being able to put some resource/good to beneficial personal use. Essentially, human wealth is abundance of greatness in strength in *having and being able wisely, prudently, to put to use* a human good/perfection in health, whether that be physical or psychological. In so doing, an abundance of acquired intellectual and moral virtue causes an individual human being to become analogous to a healthy household or city-state: self-reliant, a bank-vault of talent, self-providential. As Aristotle recognized, what makes barbarians "barbarians" is precisely their lack of common sense, lack of prudence: their having an essentially anarchic psychological disposition.

¹⁷ *Ibid.*, 1258a 35–38.

When virtuously applied, and especially when widely distributed, monopoly is not something evil. It is something good, a necessary condition for storing up (having a treasury/thesaurus) of different forms of physical and psychological wealth: storehouses of individual and social common sense and moral prudence. It consists in becoming perfectly self-possessed, a self-master, or something akin to these: exercising self-ownership of the necessary means for producing perfectly safe and healthy human action and a happy individual and social human life.

What else is a talented vocalist like Andrea Bocelli but a sole proprietor monopolist of a fine art? Precisely because he has a monopoly on a talent, he advances beneficial social communication and exchange of human goods, including financial, psychological, and physical health! What healthy societies have is not a lack of monopoly. They have widely and deeply distributed, decentralized, monopolies in the form of talented sole proprietors freely and prudently exchanging talently produced and exchanged, humanly healthy products/goods.

They do not have one or a few centralized monopolies such as those that exist in contemporary Enlightenment socialist utopias and Enlightenment colleges and universities (which attempt at every turn to transform talented people into serfs—employees servicing and sustaining in existence centralized administrative/bureaucratic monopolies) that often unwittingly traffic in promoting slavery, serfdom, and other forms of humanly destructive behavior among their faculty and students. Contemporary Enlightenment colleges and universities are essentially designed to drive out common sense, prudence, from the psyche of students, convince them that the only species of understanding (common sense) is mathematical physics. In doing this, they cause students to become anarchists, unteachable, imprudent, WOKE, people out of touch with reality who cannot tolerate to listen or to speak to or with anyone who disagrees with them.

As a man of uncommon common sense, St. Thomas Aquinas maintained that the intellectual virtue of *docilitas* (docility/teachability) is a necessary condition for being educated. He said that the moral virtue of prudence (which, he held, is a species of common sense) causes *docilitas*. He asserted that, before being taught outside the home, children generally learn some docility from parents and from their individual conscience, which, according to Aquinas, is the habit of prudence acting as judge, jury, witness, and prosecution of personal choices. In learning docility, we all acquire some common sense and moral prudence.

Common sense is simply some understanding of first principles that cause some organizational whole to have the unity it has that causes it to tend to behave the way it does. It is an understanding common to anyone who intellectually grasps the nature of something, the way the parts (causal principles) of a whole incline to organize to generate organizational existence and action. Strictly speaking, common sense is the habit of rightly applying first principles of understanding as measures of truth in immediate and mediated judgment, choice, and reasoning! Considered as such, it is the first measure of right reasoning!

Just as for Socrates, Plato, and Aristotle before him, for Aquinas, philosophy and science are identical. Philosophy/science is uncommon common sense in right understanding and reasoning about the existence, unity, and behavior of organizational wholes—a habitual, psychological habit of *prudentially wondering* and putting wonder to rest about the existence, unity, and behavior of organizations and the proximate, commonsense, principles that cause in them the existence and unity they have and the organizational behavior in which they incline to

engage. In short, philosophy/science is a species uncommon common sense in behavioral organizational psychology.¹⁸

As a species of philosophy/science, then, economics is simply uncommon commonsense behavioral psychology. Essentially, economists are chiefly behavioral psychologists. First and foremost, they are not mathematicians. Nor is their chief activity that of collecting and preparing charts and tables about data related to the production, distribution, and resources to evaluate wealth (totality of useful means for securing and maintaining life, health, and safety) within a political order or organization. Essentially, economists are people like Thales who possess the commonsense knowhow, prudence about how to acquire and preserve real human goods, to avoid poverty and secure wealth!

That what I am saying is true is simply common sense to anyone who knows anything about economics. As a sign of this truth, all one need do is to consider the psychology of a real wealth producer (someone like an Elon Musk). As far as I can determine, all of them tend most psychologically to pride themselves on their economic, financial, common sense and prudence. If they take pride in preparing economic charts and tables, this tends to be chiefly because of the fact that they consider these to reflect their real commonsense, prudent, preparation of these charts and tables: their personal, right understanding and reasoning applied to data that has enabled them prudently to analyze and express it.

If I am wrong about saying this, or about anything I have asserted in this article, please do not hesitate to show me where that is the

¹⁸ For a more detailed discussion of the connection that exists among the nature of common sense and uncommon common sense, the liberal arts, prudence, monopoly, and how all these apply to wealth formation, see Peter A. Redpath, *How to Listen and How to Speak: Standing on the Shoulders of Giants to Renew Commonsense and Uncommonsense Wisdom in the Contemporary World* (St. Louis, Mo.: En Route Books & Media, 2021), 1–48. Much of my discussion about these topics in this article is from this book.

case. I hope you enjoyed reading this presentation as much as I enjoyed writing it.

Thank you.



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SUMMARY

Well known to students of St. Thomas Aquinas is that he maintained that the whole of a science is contained in its principles and that its principles are contained in its definitions. The author takes as his point of departure for this article a definition of money that he gave in the article he wrote for the 2019 Aquinas School of Leadership's School of Economics inaugural issue for the *Studia Gilsoniana*: "Aristotle and Aquinas on the Virtue of Money as a Preservative of Justice in Business Affairs and States." According to him, as a species of economic activity, the definition of money must contain what Aquinas considered to be his generic definition of the science of economics and the essential principles he thought this definition contains. The present article he writes is an attempt to unpack some implications contained in St. Thomas's generic definition of the science of economics of which money is a species.

KEYWORDS

Thomas Aquinas, common sense, science of economics, sound money, economics, liberal art, organizational psychology, money, economic activity.

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