

THE MORALITY OF BUYING AND SELLING

With the waning dusk of war and the redawning of peace came the sanguine view of a bright, economic future. True, the horrors of this incomparable carnage were over, but the upheaval was not without occasion for contemporaneous and subsequent evil consequences in social life. While heroes were dying that the principles of justice might live, extortioners, infected more than ever before with the germ of avarice, were taking advantage of the general necessities and popular helplessness to exact exorbitant prices for commodities. To a great extent, the whole social and domestic economy was vitally affected by this abuse, since the cost of living almost doubled within the short span of five years. Now, platforms of social reconstruction from all angles are proffered by moralists and economists to offset this and other prevalent evils. But, no program of reform will meet with the desired success until there is a return in spirit to the immutable Christian principles of justice so clearly enunciated by the early Scholastics and their followers. What the great Pope Leo XIII so admirably said over a quarter of a century ago was never truer than it is today, "Society can be healed in no other way than by a return to Christian life and Christian institutions."

Some modern political economists, who formerly regarded the teaching of St. Thomas Aquinas and the Schoolmen on the morality of buying and selling as suitable for the so-called Dark Ages and incompatible with modern commercial developments and efficiency, are gradually beginning to turn to it now, consciously or unconsciously, as the more probable solution of this embarrassing problem. They came to a realization of this truth after many futile attempts to apply as a remedy modern commercial ideas and pagan ethics. "Modern moral feeling," says Dr. Cunningham, an English economist, "does not sensibly differ from that of mediæval times in the desire, if it were possible, to interfere with the action of any dealers who are able to enrich themselves through the necessities or the ignorance of others, and to gain at their expense."¹

¹ "An essay on Western Civilization," p. 80.

Among many, the modern idea of the just price is something subjective, being settled by personal agreement, or determined solely by supply and demand, the needs of the people, etc., without considering the real exchange value of the object itself. The general modern practice is to buy as cheaply as possible and to sell at the highest obtainable price. Men reason thus: "If I can obtain what I want for half its real value, or if having something of which another has urgent need, and while being deprived of it myself I will suffer no inconvenience or loss, and I can get double its value from my neighbor, then I shall have just that much more profit." Again, one may have urgent need of ready cash to prevent disastrous effects upon his business; debtors taking advantage of one's precarious position may offer to settle their accounts with one at an unusually large discount. We find also among dealers, the practice of agreeing to raise the price of their wares in certain localities or districts, so that the consumer has either to pay that price or to do without the commodity. Men guilty of such false reasoning lack proper moral guiding principles in their actions. Some look upon commercial transactions as things purely material and are oblivious of the moral or ethical aspect of the question. Others may justify their actions on the plea that there exists no positive, civil prohibition against such deeds, or further that the buyer, apparently, is willing to pay the excessive price, etc. But we must remember that human law does not always prohibit what is against virtue, and may tolerate injuries in so far as it does not punish the offender; but the divine law leaves nothing contrary to virtue go unpunished. However, if the excess or defect be extreme, then even the human law enforces restitution. And finally, we must recall that no one can suffer an injustice voluntarily, but, out of liberality, may condone an inequality.

Previous to the time of St. Thomas there was little coordination of cold, theological principles or scientific treatments on the nature of rights, contracts or the like. Therefore, conscious of the prestige which the teachings of the Angelic Doctor enjoy, we can feel safe in following the principles formulated by the Prince of Theologians, as the traditional teaching of the Church before and during his time. It is the century old tenet of the Church that the true doctrine of price is based on principles of justice, notwithstanding the prevailing practice among men.

The Angelic Doctor has taken justice as the guiding principle in his treatments of the question.

It is not our intention here to contrast the older and saner doctrine of the just price with tenets or criteria of modern times. Nor shall we attempt to offer anything like a novel solution of the present perplexing question based on these principles. We simply wish to expose briefly in these few paragraphs some of the fundamental principles propounded by the Angelic Doctor on the doctrine of the morality of buying and selling, and this chiefly from the view point of strict justice.

Strict justice is the rendering to each one what is his due; no more and no less. The species of the particular virtue which regulates the mutual dealings between two persons and which has to do principally with buying and selling and other commercial enterprises, the scholastics term commutative justice. Its dominant note is equality of thing and thing. So that when a purchase has been made, neither the buyer nor the seller has gained or lost, but each has the same before the transaction and after it. Aristotle styles it corrective justice, since it corrects inequalities and infringements of rights by demanding of the delinquent, restitution.²

But if this be true, what of the lawfulness of business or trading, since of its very nature it is usually carried on for gain? St. Antoninus, the sainted Dominican bishop of Florence, in his *Summa Moralis* based chiefly on the doctrine exposed by his glorious brother, St. Thomas of Aquin, says, "If the object of the trader is principally cupidity, which is the root of all evils, then certainly trade itself is evil. But the trade (as natural and necessary for the needs of human life) is according to Aristotle, in itself praiseworthy, which serves some good purpose, i. e., supplying the needs of human life. If, therefore, the trader seeks a moderate profit for the purpose of providing for himself and family according to the becoming fortunes of their state of life, or to enable him to aid the poor more generously, or even goes into commerce for the common good and consequently seeks a profit, not as an ultimate end, but merely as a wage of labor, he cannot in that case be condemned." (II. 1, 16, ii, p. 250). Therefore we see that trading pursued with gain as an end, is

² Ethics, V., 4.

unlawful, but a reasonable profit as a means to a good end is praiseworthy.

From the earliest times we find a traditional feeling to hold trading and traders in low esteem because of their natural tendencies to claim an absolutely unlimited right to possessions, and consequently, to withhold them from the needy until the price which they themselves set on them be paid. Even among the Greeks and Romans can be observed the suspicion in which they were held, from the stringent legislation made in their regard.³ The commercial profession was tolerated by some, as a necessary evil. Mediaeval rulers, rejecting the absoluteness of property, as we know it today, established legal prices and assumed as a first principle, that people were entitled to all the necessities of civilized life on reasonable terms. Undoubtedly, the radical methods of earlier times would be impracticable in these days of extraordinary commercial development, since they would retard industry. Nevertheless, the principle of private ownership remains the same for all times.

The Church has declared it a matter of faith,⁴ that man can possess external things as properly his own, but she intends that he use them according to the dictates of right reason. Socialists have proclaimed this doctrine contrary to the natural law, and are of the opinion that all things should be held in common. "It is not contrary to the natural law," says St. Thomas, "but an addition thereto devised by human reason." Where the holy doctor treats this question professedly, he states that "with regard to the power of procuring and dispensing exterior things, it is lawful for man to possess them; for this is necessary to human life, on account of existing conditions; but with regard to their use, he ought to possess them as common and not as his own, so that, to wit, he is ready to communicate them to others in their need." Disregard for this distinction in modern times has led to absoluteness in ownership and an arbitrary system of valuation.

"All things . . . whatsoever you would that men should do to you, do you also to them,"⁵ is the fundamental principle

³ Plato—*Laws*, p. 491. Cicero—*De Officiis*, c. 12.

⁴ *Professio fidei Waldensibus Praescripta ab Innoc. III; et Concl. Constant., etc.*

⁵ *Matt. VII, 12.*

upon which St. Thomas bases his commercial ethics. Although the Holy Doctor quotes the words of Holy Writ, he intended it more as a first principle of the natural law than as a divine positive precept. This general criterion for the direction of the mutual actions of men did not originate with the New Testament, but was also regarded, by Christians and pagans alike, as the foundation of sound ethics.

Man by his very nature is a social being and hence of necessity, has various dealings with his fellow creatures. His powers are limited, and there exists a mutual dependence of one man on the other for their general well-being. Thus in a community, one is able to produce things which, for some reason or other are beyond the reach of another, or one may have an abundance of a particular commodity of which the other is in need, and vice versa. Hence the origin of bartering in premonetary times and the system of trading or buying and selling as prevails among us today.

Since, therefore, trading considered in itself was established essentially for the common advantage of both buyer and seller, says St. Thomas, it should not be more of a burden to one than to the other. Consequently, justice demands that equality of things be observed in commercial dealings. The quality of a thing that comes into human use, continues the Holy Doctor, is measured by the price given for it, for which purpose money was invented, and if the price exceed the quantity of the thing's worth, or conversely, the thing exceed the price, there is no longer the equality of justice. However, he does not hold for mathematical precision in equality, but permits a slight addition or subtraction which does not seem to destroy the equality of justice, since not infrequently, an absolutely perfect estimation of value is morally impossible.

It is important to note that the real value is not measured by the intrinsic nature of the object. St. Augustine points this out very clearly, when he recalls that at times a horse fetches a higher price than a slave;⁹ and a mouse, though more perfect in the order of nature, is of less value to man than a loaf of bread. Neither is it something indeterminate, arbitrary, or purely subjective; that is, depending upon the free choice of the

⁹ II De Civitate Dei, c. 16.

contracting parties. It is measured by the needs and desires of men, but indeed, the object should contain something capable of arousing these desires and supplying these needs. By this we do not mean the value in use which an object may have for any one particular individual, but the value in exchange possessed by the object offered for sale. For example, a loaf of bread may be of greater value in use to a starving man than the same volume in the most precious metal; yet considered from the view point of value in exchange, obviously, the real worth of the latter by far exceeds that of the former.

Now since the proper measure of value is not inscribed upon the face of things, the question naturally arises, how is the just value to be estimated? The natural virtue of justice should be observed by all for the common good, and therefore, it does not belong to the individual to appraise things in common use nor to determine when the proper criterion of equality has been observed in commercial exchanges. The reason is clear; for one might inflate or depress the price to one's own utility. But, this comes into the province of lawfully constituted public authority, or is left to the common estimation of prudent, intelligent men who are acquainted with all the factors that determine the social value of commodities. Diverse conditions of time and place, supply and demand, cost and production, manner of sale and other factors must be taken into account by those whose duty it is to ascertain the true value of salable articles.

There may be, however, different estimates of value, usually a little higher or lower than the common price, and consequently, this leaves the merchant free to buy at the lowest standard and to sell at the highest. Again, one may buy according to the proper customary price at the time, place and in the circumstances of the purchase, and subsequently, when there is an authoritative increase in value, may sell according to the established price at the time, place and in the circumstances of the sale. Above all, the important thing to remember is that it is not lawful to disregard such standards as are lawfully and authoritatively established.

Under certain conditions, St. Thomas admits, that indirectly, a price exceeding the value of the article considered in itself, may be received without offending against justice; as for instance, when the present owner has great need of the object and

would suffer considerable loss in being deprived of it. In a case of this nature, the price would depend not only upon the thing to be sold but also upon the loss sustained by the vender in the transaction. Although under these circumstances it would be lawful to sell the thing for more than it is worth in itself, yet the amount demanded must not exceed its total worth to the owner. On the other hand, however, if the future owner of the object under consideration were to derive some special advantages from its possession, while the seller would not be at a loss without it, he cannot be justified in claiming more than an objective equality. Here the additional benefits arise not from the disposer of the goods but from the state of the one acquiring them, and no one ought to sell what is not his, but may sell what is of hurt to him. Many modern theologians, however, teach that the legitimate title for exacting a higher price than the ordinary, arises not only from the intrinsic and absolute, but also from the extrinsic and relative utility enjoyed by the purchaser. Thus, for example: when a landowner wishes to purchase a tract of land contiguous to his present estate, the agent may validly charge him a reasonable price for this particular convenience. It may happen, too, that one after having procured something at the common price, may come to the realization of the fact that one has obtained some previously unknown advantage from it. Out of one's honesty one may pay more to the seller, although not obliged to do so by justice.

There are other titles under which one is permitted a slight addition to the ordinary exchange value of commodities. A merchant, after purchasing an article, may have improved it in some way, and therefore is entitled to some remuneration as a reward for his labor, or he may take into account the danger to which he exposes himself by conveying the thing from place to place or by causing it to be borne, etc.

Needless to say, the employment of absolute fraud or double-dealing in contracts, is a direct violation of justice, and destroys the validity of the agreement. But apart from this, recourse to deception may be had by concealing imperfections of an object, or by making no allowance for them, when these defects, more or less impede its proper use, or even render it to a degree harmful. A threefold flaw may be found in salable objects, and a consciousness of which existing in the thing makes

the vender guilty of a fraudulent sale and therefore bound to restitution. First, with regard to the substance: as to represent diluted wine as absolutely pure; to sell as the pure metal, gold or silver produced by alchemists, lacking the natural properties of the mined substance. Secondly, with respect to quantity: as when one makes use of faulty weights and measures. Thirdly, on the part of the quality; as for example, to sell an unhealthy horse for a healthy animal. Should the merchant be ignorant of the presence of these essential imperfections at the time of the execution of the contract, or should he think his goods specifically of lower value than they really are, and subsequently the error be discovered, in either case, justice demands that a recompense be made for the injury. Of course if the defects are sufficiently manifest or do not destroy the essential usefulness to the buyer, due allowance being made for the accidental imperfections, no one is held to call attention to them. For indeed, if the contrary were obligatory, bidders would be frightened to buy through ignorance of other qualities that might otherwise render the object good and serviceable. But if there exist hidden, essential defects not made known to the bidder, the sale is invalid and compensation must be made for the loss incurred.

Injustice is immoral because it is opposed to the queen of all virtues, charity. As an incentive to having a constant and perpetual will to render to each one his due, man should be ever mindful of the fact that God has not created him for the perishable and transitory things of this life, but for things heavenly and everlasting. Material possessions are bestowed upon him by Divine Providence to be used in conformity to the will of the Creator, and not abused according to his own caprice, that is, for the perfection of his own nature and the good of his neighbor. "Why are you rich," says St. Basil, "while another is poor, unless it be that you may have the merit of good stewardship, and he the reward of patience?" Each one of us is but the agent of God in the distribution of goods, "and with what measure you mete, it shall be measured to you" (Matt. vii, 2). Therefore, the great Pontiff, Leo XIII, again reminds us that things of earth cannot be understood or valued aright without taking into consideration the life to come, the life that will know no death. Exclude the idea of futurity, and forthwith the very no-

tion of what is good and right would perish; nay, the whole scheme of the universe would become a dark and unfathomable mystery.

Bibliography—Summa Theologiae S. Thomae Aquinatis, 2a 2ae qq. LXVI, a 2; LXI, a 1; LXXVII, a 1, 2, 3 and 4.

Encyl. Rerum Novarum, Leo XIII.

Tanqueray, vol. III. Moral.

The Irish Theological Quarterly, "Market Prices," Oct., 1915, Rev. J. Kelleher. Just Price, 1919, Rev. T. Slater, S. J.

"St. Antonino and Mediaeval Economics," Very Rev. Bede Jarret, O. P.

—Bro. Hyacinth Sullivan, O. P.

THE PRIEST'S MOTHER

Mary, Queen of Confessors

O'er life's long weary road I walk—

With Mary.

In joy, in tears, I turn to talk—

With Mary.

When heavily His cross upon me presses,

I seek and find new strength in the caresses —

Of Mary.

My counselor, my advocate—

Is Mary.

My thirst for love I satiate—

In Mary.

Her Mother-heart, her Mother-love assure me

That as a faithful child, naught can allure me—

From Mary.

And when these lips are stilled in death,

O Mary,

I'll breathe thy name with my last breath—

Sweet Mary!

Then when my soul has left this clay behind it,

Oh! may I wake in Heaven's realms to find it—

With Mary.

—Bro. Damian R. Goggins, O. P.