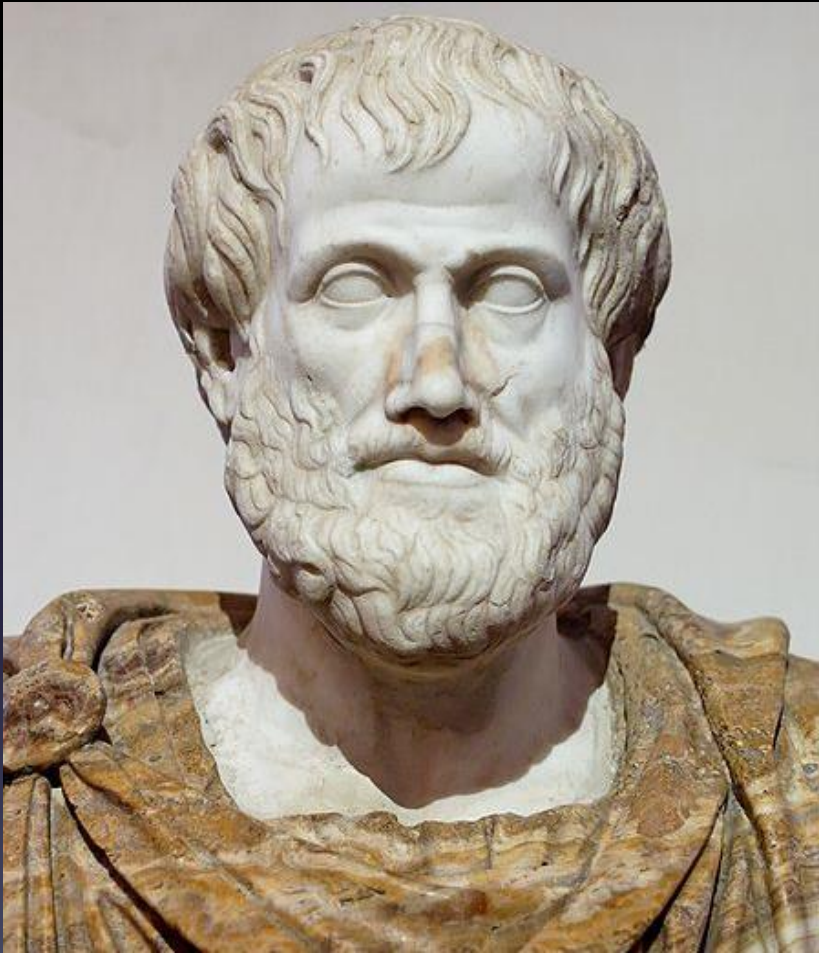


Aristotle and Aquinas

The foundations of Medieval Economic
Thought

Aristotle



- 384-322 BCE
- Greek
- Student of Plato
- Teacher of Alexander the Great

Aristotle

- In physical science, Aristotle studied anatomy, astronomy, embryology, geography, geology, meteorology, physics and zoology.
- In philosophy, he wrote on aesthetics, ethics, government, metaphysics, politics, economics, psychology, rhetoric and theology.
- He also studied education, foreign customs, literature and poetry.

Aristotle: Teleology

- Things seek to achieve their natural end or *telos*
- What is good for something is to achieve that end



Aristotle on trade

- Trade for Aristotle is instrumental
- A means to achieving the good life

Wealth

- Provides the material for household management:
oecomonmica



Acquisition

- Natural limit: acquire enough to live an unstressed, healthy life.



Proper and improper use

- Shoe: Proper use of a shoe is to protect feet
- Improper use: Hammer nails
- Something is used properly when use is in line with its end.



Exchange

- To satisfy a person's natural wants is natural
- Bread and wine



Midas

- How can money be wealth when Midas could starve despite having so much of it?
- Moral: unlimited acquisition of wealth is unnatural



Aristotle on Virtue

- Aristotle's idea of the mean – virtue is the mean between two vices.
- Courage lies between cowardice and rashness
- Temperance is the mean of drunkenness and teetotaling

Aquinas



- 1225 – 1274 CE
- Born in central Italy
- Set Aristotle in a Christian context

Aquinas on Usury

- Aquinas held that usury is selling what is non-existent
- Paying back the loan is payment for the loan
- The interest is payment for nothing



Aquinas on Usury

- Aquinas holds that one can borrow at interest:
 - If one did not persuade the usurer (he was out loaning money anyway);
 - If the loan is put to good use.