

Classical Community Purpose: Fairness, Morality and the Natural Order (God's plan) in the distribution of Wealth

- A. For Aristotle, economics and politics are two different worlds**
- **Economics is a lower form of activity than politics**
 - **Economics is a means to an end; politics is an end in itself**
 - **The good life has nothing to do with wealth and wealth has nothing to do with value**
 - **Making money with money is evil (charging interest)**
- B. Aristotle What is the best form of government in the polis?**
- The purpose of govt. in the polis
 - He talks about two main forms of authority—**oligarchs and democrats.**
 - **Elective aristocracy by well-educated, prosperous slave-owners.**
- C. Best form of government for the economy, dictatorship, and slavery**
- **The economic community is a partnership for the sake of the necessities of life**
 - **People need human possessions who shall act as instruments for carrying out their will.**
- D. Human beings as tools**
- **What is the difference between the “wage-slave” and the actual slave?**
- E. Wealth and trade: other implications of Aristotle's argument**
- **The purpose of material goods is use.**
 - **The value of any good is intrinsic—given by its use and not its price in exchange**
Can you think of some things like that?
- F. Fast forward through History:**
- in 146 bc the Greeks were conquered by the Romans,
 - **Then came Christianity**
 - emperor **Constantine**
 - He becomes a Christian
 - **Christians focused on the soul,**
 - **Roman empire falls**
 - **the Church and its values formed the basis of social, economic, and political life.**
 - "dark ages."
- G. The Market Corrupted the Soul**
- **Lords and Manors and self-sufficiency---**
 - **Guilds**

- Advertising was forbidden.
- **Homo mercator vix aut numquam Deo placere potest--The merchant can never be pleasing to God.**
- church's horror of usury, lending money at interest.

H. Most important was the idea of a Just Price

- determined by criteria of fairness
- Basis for the theory of the living wage
- Why are market prices wrong? two reasons
- Church set the price so that souls would not be corrupted

I. Aquinas

- Plato's forms, Aristotle's ethics, natural law
- Just Price: equality of justice--equivalence of exchange
- **Private property is a desirable economic institution**
- The state, however, has the authority to maintain a legal framework for commercial life
- **For Aquinas, trade itself is not evil; rather, its moral worth depends on the motive and conduct of the trader**
- Thomas is fighting back against the self-interest, unbridled freedom,
- At the same time, he is supporting the market and some of its laws:

J. The idea of Limited Good

ideas/values

value change required

"Good" is finite; there is a limited amount of material good, love, friendship	"good" is infinite; there are infinite amounts of both material and non-material goods
community is a closed system ruled by personal relationships and ascriptive hierarchies	community is an open system guided by impersonal laws and freedom.
if my situation is improved, yours is worsened and vice-versa: therefore, don't try to improve your position or you will be punished and others won't like you	If my situation improves, it doesn't hurt you, if fact, it may help you and vice-versa; we can both be rewarded by improvement
Value cannot be created by man; it is given by God. Therefore luck is rewarded, but hard work is not rewarded; no relationship between	Value can be created through work; hard work should be rewarded

hard work and the acquisition of wealth	
Wealth is inherent in nature; there are limitations on land and technology; additional hard work will not improve anything	Wealth comes from work; work and thrift create wealth
progress is impossible; it will only come at the expense of others	progress is both possible and necessary
Individual achievement is punished; contentment with what you have is valued	individual achievement is valued; contentment with what you have is punished.