

Book Reviews

SOURCE BOOK ON EARLY MONETARY THOUGHT, EDWARD ELGAR PUBLISHING LIMITED, 2020, 336 PAGES, ISBN: 9781839109980, EDITED BY EDWARD W. FULLER

The book presents a compilation of a selection of texts and/or extracts from texts by pre-classical authors, before Adam Smith. The book is an exciting collection of texts that were historically decisive in the construction of economic (and monetary) theory. The time span is extensive, starting from 350 BC (Aristotle) to 1776 (Condillac). Indeed, the great advantage of this collection is that it allows us to observe the evolution and depth of thought over a long period of time. The compilation of these texts demonstrates an invaluable effort on the part of editor Fuller and I am sure that the academic and general public interested in these topics will find in this collection a source of information and inspiration to develop and deepen the understanding of economic and monetary theory from the point of view of the history of economic thought.

The book is divided into 38 chapters. Before the introduction (which is Chapter 1), on page *vii* we find a Foreward by Jesús Huerta de Soto, professor of Political Economy (*Universidad Rey Juan Carlos*) and professor of the *Master in Economics of the Austrian School*, where he highlights the importance of currency and monetary history for a better understanding of economic theory and the history of economic thought. On page *viii* we find a Foreward by Joseph T. Salerno, who is academic vice president of the *Mises Institute*, professor emeritus of economics at *Pace University*, and editor of *The Quarterly Journal of Austrian Economics*; in this Foreward, Salerno tells us about the history of the ‘bullionist controversy’ and states that ‘*The book is must reading not only for economic specialists in the history of monetary theory but for all those interested in learning about the development of the long and venerable tradition that gave birth to Austrian monetary theory*’ (p. xi). On page *xii* some acknowledgements by the author and publishers are presented.

Before starting with the original texts, on page 1, we find the introduction by the author Edward W. Fuller where he briefly describes the works presented throughout the book, and finally, some comments on Adam Smith - to which will return at the end of this review. The following excerpts/historical texts follow:

- Aristotle: Nicomachean Ethics (c. 350 BC)
- Aristotle: Politics (c. 350 BC) 11
- Albert the Great: Commentary on Aristotle's Nicomachean Ethics (c. 1262)
- Albert the Great: Commentary on Aristotle's Politics (c. 1263)
- Thomas Aquinas: Commentary on Aristotle's Nicomachean Ethics (c. 1271)
- Thomas Aquinas: Commentary on Aristotle's Politics (c. 1272)
- Peter John Olivi: A Treatise on Contracts (c. 1295)
- Jean Buridan: Commentary on Aristotle's Nicomachean Ethics (c. 1336)
- Jean Buridan: Commentary on Aristotle's Politics (c. 1349)
- Nicholas Oresme: Treatise on Money (1358)
- Gabriel Biel: On the Power and Utility of Moneys (1495)
- Copernicus: Essay on the Coinage of Money (1526)
- Luís Saravia de la Calle: Instructions for Merchants (1544)
- Martín de Azpilcueta: On Exchange (1556)
- Tomás de Mercado: Manual of Deals and Contracts (1569)
- Sir Thomas Smith: A Discourse of the Commonweal of this Realm of England (1581)
- Francisco García: A Very General and Useful Treatise on Contracts (1583)
- Bernardo Davanzati: A Discourse upon Coins (1588)
- Luís de Molina: A Treatise on Money (1597)
- Leonard Lessius: On Buying and Selling (1605)
- Juan de Mariana: A Treatise on the Alteration of Money (1609)
- Hugo Grotius: The Rights of War and Peace (1625)
- Samuel Pufendorf: The Elements of Universal Jurisprudence (1660)
- Samuel Pufendorf: The Whole Duty of Man (1673)
- John Locke: Some Considerations of the Consequences of the Lowering of Interest, and Raising the Value of Money (1691)
- Dudley North: Discourses upon Trade (1691)
- Isaac Gervaise: The System or Theory of the Trade of the World

- (1720)
- Richard Cantillon: *An Essay on Economic Theory* (1730)
 - Jacob Vanderlint: *Money Answers All Things* (1734)
 - Francis Hutcheson: *Philosophiae Moralis Institutio Compendiaria* (1747)
 - Ferdinando Galiani: *On Money* (1751)
 - David Hume: *Of Money* (1752)
 - David Hume: *Of Interest* (1752)
 - David Hume: *Of the Balance of Trade* (1752)
 - Joseph Harris: *An Essay upon Money and Coins* (1757–58)
 - A.R.J. Turgot: *Reflections on the Formation and Distribution of Wealth* (1766)
 - Étienne Bonnot de Condillac: *Commerce and Government Considered in Their Mutual Relationship* (1776)

At the end, on page 310, we find an exquisitely developed index which we can rely on for keyword searches throughout the text.

As I said before, the text is a much-needed edition for monetary history and many more books of this kind are required to deepen the intellectual work in this field. However, the book has some weaknesses that would be interesting to address in future editions. Firstly, given that the author is a specialist in the field, it would be interesting to know his in-depth understanding of each of the texts. Although the author has preferred to introduce the historical texts (very briefly) in the introduction without intervening in any way from page 8 to the end of the book, I would have expected certain interpretative guidelines at the beginning of each text in order to understand the author's view on each of these historical essays, as well as a list of suggested readings at the end of each chapter, in case readers want to delve deeper into a particular author. At the very least, a conclusion from the author, which would allow us to better understand the purpose of presenting these texts and not others. On the other hand, while I am not an expert on historical translations of monetary literature, I understand that the chosen translation by Richard Cantillon is not one of the best currently available, given that Groenewegen (2012) has recently strongly criticized the translation by Thornton and Saucier (2010), so readers need to take this into account when studying these chapters.

Finally, in the introduction, the author argues that “Adam Smith departed from the Aristotelians by adopting the problematic labor theory of value

rather than the utility theory...Smith's adoption of the labor theory of value in *The Wealth of Nations* represented a step back from the utility theory advocated by the Aristotelians that came before. In short, we find the greatest problem in Smith's work precisely where he deviated most from the Aristotelian tradition" (p. 7). The author makes strong claims in this passage. First, it should be clarified that Aristotle's own views have been the subject of considerable discussion (see Schefold, 1989; Schefold, 2016) and even Marx himself has been influenced by Aristotle (Schefold, 2016). Second, Smith's theory of value can find its roots in that of Richard Cantillon, who, for many authors has an 'objective' theory of value (see Gahn, 2020). Third, the author claims that Adam Smith's problem was that he adopted the 'problematic' labour theory of value (LTV, hereafter) and that he moved away from utility theory. While I agree that LTV is very problematic (see Garegnani, 1984, 2018; Petri, 2015, 2018), I must state that also utility theory still has big problems to solve. Both the marginalist and the Austrian theory of value and distribution have not been able to solve the problems that appeared for these theories during the Cambridge Capital Controversies (see Dvoskin, 2013; Fratini, 2018). In contrast with these two 'problematic' theories, the classical-modern theory of value and distribution emerges as a theory that overcomes these problems starting from Sraffa's work (1960). The lack of mention of these problems for the Austrian school in Fuller's introduction to this book is truly problematic: The reader should be aware that some of these assertions are still under discussion and are not presented in this introduction in a transparent way. The reader interested in exploring monetary issues and monetary history from a different perspective might benefit from reading the works of Feldman (2012, 2013, 2014, 2015), Panico (1988), Pivetti (1991) and Vernengo (2006), among others.

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