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Dossier

Merchants, prices and justice: Pedro de Oñate and Scotus' labour theory of value: a philosophical approach to the question of economic value

Mercadores, preços e justiça: a teoria do valor-trabalho de Pedro de Oñate e Scotus: uma abordagem filosófica da questão do valor econômico

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ABSTRACT

In this paper I will analyze the Jesuit Pedro de Oñate's ideas on economic value and its relation with merchants' work. Born in Spain, Oñate moved to South America after studying in Valladolid and Salamanca, where he lived until his death. When dealing with economic value, Oñate's ideas were developed as an answer to what he and many members of the School of Salamanca thought that were Duns Scotus' ideas on economic value, but also to the economic and social situation that he had lived in America. There, the lack of merchants and goods resulted in higher prices than in Spain, which obliged him to analyze why this was happening and if these prices were just prices. In his work, Oñate combined a theoretical critique to the labour value theory, posing instead an original understanding of the idea of "utility", with a practical recognition of the importance of merchants and their work. Following this second idea, he argued that although costs are not the last foundation of economic value, they should not be completely ruled out if one wants to understand why there is abundance or lack of merchants, and if prices are just or not.

Keywords: Scholastica Colonialis, labour value theory, common estimation, just prices, prices, philosophy of economics, fair trade.



RESUMO

Neste artigo analisarei as ideias do jesuíta Pedro de Oñate sobre valor econômico e sua relação com o trabalho dos comerciantes. Nascido na Espanha, Oñate mudou-se para a América do Sul depois de estudar em Valladolid e Salamanca, onde viveu até sua morte. Ao lidar com o valor econômico, as ideias de Oñate foram desenvolvidas como resposta ao que ele e muitos membros da Escola de Salamanca pensavam que eram as ideias de Duns Scotus sobre valor econômico, mas também à situação econômica e social que ele viveu na América. Lá, a falta de comerciantes e mercadorias resultou em preços mais altos do que na Espanha, o que o obrigou a analisar por que isso estava acontecendo e se esses preços eram apenas preços. Em sua obra, Oñate combinou uma crítica teórica à teoria do trabalho, propondo uma compreensão original da ideia de "utilidade", com um reconhecimento prático da importância dos comerciantes e de seu trabalho. Seguindo essa segunda ideia, argumentou que, embora os custos não sejam o último fundamento do valor econômico, eles não devem ser completamente descartados se se quiser entender por que há abundância ou falta de comerciantes e se os preços são justos ou não.

Palavras-chave: Scholastica Colonialis, teoria do valor, estimativa comum, preços justos, filosofia da economia.

Introduction

In the last decades, the interest in the philosophical thought developed by theologians, philosophers and lawyers in Latin America during the sixteenth, seventeenth and eighteenth centuries has received renewed attention. In many cases, these intellectuals were Europeans who moved to America after finishing their studies, many of them in Salamanca, but also in Valladolid, Alcalá and other universities of Spain and Portugal. Thus, they were educated in Europe but developed their intellectual work in America¹. The Jesuit Pedro de Oñate, a disciple of Francisco Suárez, is one of the most representative intellectuals of this tradition. He was born in 1567 in Valladolid and studied at the Universities of Alcalá and Salamanca, but in 1592 he moved to America where he lived until his death in 1646 (Vargas Ugarte, 1963). For several years, Oñate was the provincial of Paraguay and he was one of the founders of the University of Córdoba (Furlong, 1952).

Pedro de Oñate has received attention from scholars devoted to the History of Economic Thought (Popescu, 1990, 1997) and to Legal History (Cutolo, 1970)². In this article, instead, I will try to analyse his ideas but from a Philosophy of Economics' perspective. Following Koslowski's definition of this discipline, I will consider the Philosophy of Economics as that discipline that deals not only with the relation between ethics and economics but also (and especially) with the ultimate foundation of economic concepts.

In America, Pedro de Oñate (like many of the members of the so called "Scholastica Colonialis") lived a very different social and an economic situation from the one that those theologians who never left Spain had. This posed several intellectual challenges to him, as far as he had to revisit many concepts in order to adequate them to this new situation. This was especially true in some areas like economics and commerce, a kind of knowledge where there is a combination between theoretical reflection and empirical evidence. In that time, as for example Juan the Matienzo stated, many cities of South America had

¹ This tradition of thought has recently received the name of "Scholastica Colonialis". See for example Hofmeister Pich, 2010. Also, Cauriensia (2011). The historian of Economic Thought, O. Popescu, called this tradition "Indian Economics" (Popescu, 1997, 1995).

² Although they are not dedicated exclusively to Oñate, see also Furlong (1952) and Decock (2013). For the topic developed in this paper see specially chapter 7.

abundance of silver and gold, but at the same time had a terrible lack of essential goods such as bread, wine, or even chairs and tables (Matienzo, 1580, p. 484 col. 2). Although the goods were the same as in Spain (the nature of bread is the same in America and in Spain, said for example Covarrubias), prices in America were very different (Covarrubias y Leyva, 1557, p. 399) (Matienzo, 1580, p. 327, col. 1). As it can be recognized, this situation was very different from what could be found in almost any European city³ and moved Oñate and others to revisit the discussion about the philosophical foundation of economic value. They were especially interested in understanding why prices were so different in America and in Spain, and they also wanted to know if these higher prices were just prices or not.

Despite these lacks of goods and the abundance of silver and gold, another challenge that people faced in Latin America was the lack of merchants. Pedro de Oñate, like other theologians, knew that thanks to the merchants, people were able to get different goods and live better lives. But the problem was that in those times in Latin America there were not enough merchants to provide everyone with these desired goods. So, in addition to the higher prices - and certainly intimately related to that - because of this lack of merchants, Latin American people were unable to buy and consume different goods which they needed, and were forced to live in a more primitive way.

In this paper I will analyse Pedro de Oñate's ideas on economic value and its relation with merchant's work. As I will try to show, his ideas were developed as an answer to Duns Scotus' ideas on economic value (or, better said, to the usual interpretation that the Spanish Scholastics gave to Scotus' texts about economic value). The article will be divided in three parts and a conclusion. In the first part, I will make a short resume of the Hispanic reception and interpretation of Duns Scotus' ideas on economic value. In the second part, I will develop Oñate's ideas about the last foundation of economic value and his critique to Scotus' position. In order to do this, I will try to show the original way in which the Jesuit understands the relation between the notions of common estimation and utility, on which he founded his own theory of value. In the third part, I will try to show that in later passages, Oñate discussed the problem of prices in a more practical way, which forced him to make some precisions. What I will try to show is that in this second approach to the question, the Jesuit nuanced his previous critique and even assumed some ideas of economic value attributed to the Franciscan. Finally, I will try to make some conclusions and some prospective work about this question.

The Hispanic Interpretation of Duns Scotus's Labour Theory

The thesis of the labour value theory, which was for some time mistakenly attributed to scholastic theologians by some historians of economic thought in the first half of the twentieth Century, sustained that the prices of the goods that were sold by merchants should be the result of the sum of the labour that merchants do in order to buy these goods, transport them to the different communities to sell them, and earn a reasonable profit. This philosophical foundation of economic value, based on objective elements, was presented as opposed to modern conceptions of economic value, based on the subjective perspective of people (Sewall, 1901; Tawney, 1964; Cachanosky, 1994)⁴.

In recent years, this attribution has been criticized (Schumpeter, 1971; De Roover, 1955; Grice-Hutchinson, 1952; Popescu, 1997; Chafuén, 2013; Langholm, 2006)⁵. A careful reading of the texts shows that most

³ As Matienzo stated (Matienzo, 1580, p. 327, col 1), this made some goods to be much more expensive in America than in Spain. As theologians and jurists, these differences made them revisit the discussion of just prices and the benefits or disadvantages of legal prices.

⁴ Nowadays this idea is still sustained by some intellectuals. See for example Alves and Moreira (2010). A short but precise resume of this attribution to Scotus can be seen in Decock, (2013, p. 519-520).

⁵ Although all of these authors do not fully agree in their interpretation of the idea of "common estimation", they all accept that relating the Scholastics to an objective theory of value is a misunderstanding.

of the Scholastic Theologians did not sustain a labour value theory, but a theory based in the idea of “common estimation”. This reference to “common estimation” can be easily related to a subjective conception of economic value, rather than an objective one (Perpere, 2020; Gómez Camacho, 1998). But, as Langholm (2006) has pointed out, although Scholastics did not pose a labour value theory, it seems to be true that some theologians, especially those of the Franciscan order, established some relation between labour and the prices of the goods that were sold by the merchants. When they spoke about this relation, they did not want to establish a theory of economic value, but instead they were trying to justify that merchants should receive a payment for their work. They had to do this because that specific *officium* (the merchants *officium*) was highly questioned by many theologians, who quoting St. John Chrysostom, sustained that this occupation was sinful⁶, or at least morally dangerous⁷. In their opinion, the merchants’ work consisted in buying something cheap and selling it later more expensive, without changing anything of it. So, the profit they earned by doing this was a theft, because it was the result of selling something more expensive than the price that they had originally paid for the good, without changing the object at all. Besides, the authority was allowed to intervene and fix cheaper prices.

Since Alexander of Hales, many Franciscan friars did not accept this point of view; they instead considered that the merchants’ work was beneficial for the people and for the communities, and because of this it should not be condemned. What Alexander of Hales, and after him, Peter John Olivi and other Franciscan friars saw, was that if the merchants had not been allowed by the authority to earn some profit, they simply would not have gone to that community. The absence of merchants would have resulted in a poorer life for the people there. What they noticed was that merchants took the surplus from one place to another where there was a lack of them. They bought the things with their money and assuming the risk of transporting them from one place to another, they sold them to people that needed them, and that without their work, they would simply would not be able to get them⁸. People lived, thanks to them, better lives than those that they would have had if they only had only the chance to consume what they produced in their places (Perpere, 2017). As part of this Franciscan tradition, Scotus explicitly declares that

the state (reipublicae) finds it useful to have importers of needed commodities that are scarce in the homeland, but are nevertheless beneficial or indispensable (Scotus, 2001, p. 57).

The importance of merchants’ works and the benefits that people received from them was crucial in their ideas of commerce. Because of this, the Franciscan Duns Scotus, who is usually credited as the first of the scholastics that formally sustained this labour value thesis, “justifies commercial profit computed on the basis of labors and expenses, risk, industry and vigil” (Langholm, 2006, p. 124). But as Langholm and Lecón said, if we read the context in which this justification of profit was developed, we can easily recognize that what he was discussing was the necessity that the communities had of merchants, and not analysing which was the last foundation of economic value (Langholm, 2006, p. 124-126; Lecón, 2020, p. 54-57). Scotus was describing a situation rather than developing an economic theory. What he wanted to remark was that if merchants could not pay all their costs and earned a profit, they would stop doing that job, and people would have a lack of goods that they needed. For Scotus, merchants do a licit work⁹, and the prices of the goods they sell, should cover not only their costs of buying and transporting them from one place to another, but also allow the merchants to earn a profit that makes it possible for them and their families to live a good life:

⁶ “He that buys a thing in order that he may sell it, entire and unchanged it, at a profit, is the trader who is cast out of God’s temple” Ps. St. John Chrysostom, Hom. XXXVIII, commenting Mt. 21, 12.

⁷ See for example Thomas Aquinas, *Summa Theologiae*, II-IIae, q. 77, a. 4, ad 1 y sol. 1 (Aquinas, 1963, p. 478-480).

⁸ See for example Olivi (2012, p. 138-140).

⁹ “I say honest because prostitutes and charlatans live dishonestly” (Scotus, 2001, p. 57).

In an indigent country, however, if the lawgiver is good, he ought to hire at great expense such merchants to import essential or indispensable goods and preserve and look after the things they bring. He ought to find not only the necessary sustenance for them and their families, but also make use of their industry and practical experience, and underwrite the risks they take (Scotus, 2001, p. 59).

These arguments, that, as it was said, were originally posed in order to justify merchant's profit, were reinterpreted in the next centuries as a "value theory". In other words, many theologians understood this approach in a philosophical way; that is to say, not as an economic description of how the market works but as an explanation of what is the last foundation of economic value. Certainly, almost all the theologians of the Hispanic tradition did this, and they always attributed this labour value theory to Duns Scotus. Although it is true that this attribution seems to be a misunderstanding of Scotus's original words, at least from Francisco de Vitoria onwards, it has been repeatedly stated that Scotus sustained the labour value theory and is constantly quoted as "the" author of this thesis (Lecón, 2020, p. 58-51) (Langholm, 2006, p. 125-127). As a former student of the universities of Alcalá and Salamanca, Pedro de Oñate will also attribute these ideas to Scotus.

In the next paragraphs, I will try to develop the answer that Pedro de Oñate gave to this labour value theory. Although the attribution to Scotus of the labour value theory is not correct and does not reflect the true ideas that the Franciscan friar had on this issue, since Oñate also attributed this theory to him, I will refer to it as if it were Scotus'.

Pedro de Oñate and his Critique to Duns Scotus

The three volumes of Pedro de Oñate's *De Contractibus* were published in Rome between 1646 and 1654¹⁰. It is the third volume that is devoted to economic questions, and it is considered by Popescu as the best and most representative book of the Latin American Scholastic (Popescu, 1997, p. 281-282; 1990, p. 38). It is in the Tractatus 21, Disputatio 63 where Pedro de Oñate developed his philosophical ideas about the last foundation of economic value, and where he criticizes Scotus' thesis. In this discussion, the Jesuit is trying to establish what things should not be taken into account (*non attendenda*) in the estimation of prices. These things are summarized in seven rules (Oñate, 1654, p. 40-44). The first three rules explain some general principles in order not to fail while trying to estimate prices, and the last four analyse different theories about the last foundation of economic value and criticise them.

The rule that is specifically against Scotus and his alleged labour theory is the fourth rule. Oñate clearly states that this rule is against the ideas of Duns Scotus ("*haec regula est contra Scotum*") and it is in this context that he quotes some of his works¹¹. According to this fourth rule, "prices should not be estimated by the cost, works, industry and risk" as Scotus sustained, but instead they must be based on the common estimation of people (Oñate, 1654, p. 42-43). The problem is that we have to understand what it is that makes people estimate things. In other words, which is the reason that makes people estimate some things more than others? What causes these differences in valuation? After rejecting the idea that we estimate things because of the costs and risks that the merchants have, Oñate tried to answer these questions and give an alternative explanation.

The first thing that must be noted, he said, is that a metaphysical approach to the different objects that one finds in the market shows that they are all part of a scale of beings. This scale is hierarchically ordered: animals are above vegetables, and all the living beings are above the non-living. But for Oñate, like for many of the Hispanic scholastic tradition, looking at metaphysical nature of the objects in order

¹⁰ The first volume in 1646, the second in 1647 and the third in 1654.

¹¹ Oñate explicitly refers to the work of Scotus. He mentions In IV d. 15 q. 2, ad fin ar 2, Maior ibid. q. 41. (Oñate, 1654, p. 43, pto. 44).

to understand economic value is a mistake that can be clearly perceived (Perpere, 2020). Oñate rejected in the second rule the idea of taking into account the metaphysical nature of beings as the foundation of economic value. There he showed that many things are estimated as more perfect than others in everything related to trade and commerce even though they may be less perfect considering their metaphysical perfection. That is, for Oñate, because of the "utility" or the "use" that people give to those things. In order to support this idea, he said that a mouse or a fly are not more expensive than gold or gems. Although the first are living beings, they are clearly less useful than the second ones. Immediately after that he quotes Augustine's classic example of *De Civitate Dei* (Oñate, 1654, p. 42)¹². So, if we want to really understand the nature of economic value, we must accept that things may be more perfect than others if we consider their place in the scale of beings, but less perfect if we consider their "utility" or the "use" that people do of them. Thus, "common estimation" is related to the concepts of utility and use and not to the metaphysical nature.

However, Oñate considered that the appealing to the ideas of "utility" or "use" can lead to a confusion, because these words can be understood in two different ways. In the first way, the utility can be understood as related to the nature of the object and the objective necessity that people have of that object. For example, water is very useful for living, and horses are useful for travelling or for war. In comparison, gems are not very useful; we do not really need them to live. The problem is that they are usually more estimated than water or horses. So, this first way of understanding utility does not explain economic value.

There is a second way in which we can understand the idea of utility. For Oñate this second way is the one that really serves as foundation of the economic value of things. Under this perspective, utility is not only related to the natural necessity of the object (like water), or to the natural use one can obtain from it (like the horse for travelling), but also to the "brightness" that its possession gives to us (or at least, the "brightness" one thinks it will give to us), the scarcity of these objects and the difficulty to acquire them. Brightness, scarcity and difficulty of acquisition make things more useful and one considers them to have more utility than other things that may be more necessary to everyday life.

In order to explain the difference between these two ways in which one can understand the ideas of utility and use, Oñate uses an example. Water or bread are very necessary for human nature, he said, and a needle and a writing feather are very useful for people, but all of them are cheaper than a gem or a falcon. If one analyses the objective necessity that one has of things, a gem or a falcon are, in comparison with water or bread, useless. However, as long as their possession gives one "brightness", and accepting the fact that they are scarcer and that, because of this, it is more difficult to acquire them, one estimates the gem and the falcon more than the water and the bread. As long as prices are not attached to their metaphysical nature, they are also not attached to their "natural" use neither to the objective necessity one has of them, so this natural utility must not be taken into account as the last foundation of economic value. Certainly, people want necessary things, but it is a fact that many times they consider things that give them "brightness" as more valuable. In fact, for Oñate, one must accept that this wish of brightness is also part of human nature. Furthermore, the usual situation in economic life is that those things that are more necessary for us are also very easily obtained ("*facile inveniantur*"), but instead, those that give brightness are very scarce ("*magna raritas*"), and so, they are usually considered as more valuable (Oñate, 1654, p. 42, pt. 42).

These ideas lead us to Oñate's critique to what it is usually known as Scotus' labour value theory. The Jesuit poses that according to the Franciscan, things should be estimated in relation to the costs,

¹² The example of the mice and the gem was originally used by St. Augustine in *De Civitate Dei*, XI, 16 (Augustine, 2007, p. 713). After quoting, Oñate added: "Itaque licet in illa in esse naturae sint perfectiora in commutationibus, et commercio hominum, et ad utilitatem, et usus eorum multo sunt imperfectiora et viliora" (Oñate, 1654, p. 42)

work, industry and risks that the merchants have. After that he criticizes it. For him, the best way that one has to show that this theory is wrong is to look at the way in which merchants and ordinary people trade every day. The main problem of the labour value theory is that every time that merchant sells any good, he gives to the buyer the good that he or she has paid for, but he does not give the risks, work and industry that he has had to bring the good to the market and sell it. For example, if someone in South America buys a chair from a merchant, he or she gets the chair, but they do not receive the costs, works, industry and risks that the merchant had to bring it from Europe. Although there is a higher price, this higher price in America is not justified for the cost that the merchant has. Those other four things, said Oñate, do not pass (*non transeunt*) from the merchant to the buyer when he gets the good (Oñate, 1654, p. 43, pt. 45). The merchants do not sell their costs, risks, works and industry to the buyer. They sell different goods. That is what the buyer buys (Oñate, 1654, p. 43, pt. 45). Because of this, the just price cannot be the result of the merchant's labour. Thus, for Oñate, as it was said, economic value is founded in common estimation and not in labour.

However, it is important to remark that in Oñate's opinion, although economic value is related to the estimation of people, this estimation cannot lead to any price no matter how expensive or cheaper it results. The idea that something can be sold at whatever price somebody will be ready to pay for it pursuing for example his brightness, is something that should not be accepted, because it can result in an unjust price (Oñate, 1654, p. 42, pt. 40). The Roman law said that "*tanto valet rei quanti vendi potest*" but for Oñate, without further limits, this rule is vicious (*vitiosam*) and should be ruled out (Oñate, 1654, p. 42, pt. 40; 1654, p. 40-41, pts. 32-34).

According to the Jesuit, in order to obtain a just price we should add to the common estimation other elements. I will highlight two of them. In the first place, for him the common estimation must be embedded in a prudent approach (Oñate, 1654, p. 40, pts. 31-32). Without this prudence, several vices, such as avarice, or the irrational love to pleasure can corrupt the estimation that some people do of the goods they are buying or selling. The result of this corruption in estimation will lead to a negotiation that will produce as a result an unjust price (Oñate, 1654, p. 41, pt. 33). In the second place, for Oñate the just price is not related to an *individual* estimation, but to a *common* estimation. So, "it is not the need of one single person, or of many, but of the entire republic" the estimation that should be taken into account (Oñate, 1654, p. 47, pt. 67). In his opinion, prices can certainly rise or can fall according to different circumstances. For example, the price of grains changes every year. In good years grains are cheaper and in droughts years they are much more expensive. But these changes are the result of the need of the entire republic and not the need of some people or of a singular person. Generally speaking, it is certainly more probable to get a just price in a market that has a lot of buyers and sellers, than in another one that has only one or few buyers or sellers. So, the importance of having a prudent approach and the idea that one must consider the common estimation and not the individual one, are two elements that for Oñate should be taken into account if one really wants to understand the nature of economic value and the justice in trade.

In the next part, I will show that although Oñate says that Scotus' rule does not give a true foundation of the economic value, when he later analysed trading from what can be considered an empirical way, he accepted that this rule should not be completely put aside. Although he still sustained that it does not give the true foundation of economic value, he recognized that some aspects of the Franciscan thesis should be taken into account if we want to understand the everyday merchant's work.

A Partial Vindication of Scotus' Ideas?

After developing his ideas about the last foundation of economic value, Oñate focused in analysing everyday commerce. In order to do this, he especially looked at the merchants' work, and specifically,

at the prices of the goods they sell. If his theoretical approach had led him to consider the price as the result of common estimation and prudence, in the next parts of his discussion he tried to show in which conditions this can really work, in which conditions this will probably do not work, and how this may affect the merchant's work.

One of the first things that has to be clarified is the definition of merchants. After quoting the definition that was usually given of this work, he started to analyse it¹³. Although people usually relate merchants with commerce and trade, for the Jesuit these activities are not the main differences between this job and others. Several artisans, farmers, and even hunters and fishermen trade; buying and especially selling their products is the way they get their income. Merchants share these activities of buying and selling with other jobs, so that cannot be what makes this *officium* different from the others. But if one looks carefully at what they do, one finds that merchants not only buy *and* sell things, but they buy *to* sell those things. What merchants do is buy and sell things without changing them at all; what is more, they do this pursuing profit. These two things (selling without changing the object and pursuing profit) are what differentiates merchants from other jobs. For example, although they want to get an income selling their goods, artisans change the objects before selling them, and hunters and fishermen do not buy what they sell. Thus, they should not be considered as "merchants" despite the fact that they also trade goods.

For someone to be called a merchant, this person must employ all of his or her goods (or at least, the greater part of them) in trading. In other words, he or she must buy and sell things without changing them and do this searching for profits and benefits (Oñate, 1647, p. 686, pt. 141). Only those who fulfil these requirements can be considered true merchants.

As it was said before, the fact that merchants sell things without changing them, and that they do this pursuing profit, caused a moral discussion among the Scholastics (Perpere, 2017). Like most of the theologians of his time, Oñate had a positive evaluation of this *officium* (Langholm, 2006, p. 124-126); despite this, he devoted himself to analysing the moral implications of merchants' work. For him, this job is, from a moral perspective, a dangerous work, but not an illicit job nor a sinful one. In his opinion, it is true that merchants are constantly tempted to avarice and to greed. The nature of their work also makes it easy for them to commit fraud, or to make usurious loans. But these conducts can be avoided by them, and it is for sure that merchants can trade in a fair way. Not every merchant is a miser, greedy or a fraudulent person, like Chrysostom's words suggested. It all depends on their elections. Although they can be vicious, they can also trade in a virtuous way. When they do this, they deserve to be praised for their work (Oñate, 1647, p. 686, pt. 145).

Once he has solved the discussion about the moral status of this work, Oñate discusses the possible social benefits that societies might get thanks to merchants' work. Dealing with this topic, the Jesuit considers that there is no doubt that the impact of their work is positive for the people. Merchants are beneficial to the communities where they travel, because they usually buy things that are abundant in one place and then they take them to other places where there is scarcity of them. Their work allows the people of the first community to sell their surplus and the people of the second community to buy goods that they really need. Because of this, Oñate considers that this work is "useful and praiseworthy" (Oñate, 1647, p. 686, pt. 144), and should not be forbidden nor restricted¹⁴. One way in which communities restrict or even forbid merchants' work is establishing prices that do not allow them to cover their costs and earn a profit. So, authorities must be very careful when they establish legal prices.

The problem that arises now is that it seems to be a contradiction in what he said about merchants and their work and what he had said about the last foundation of economic value. When he discussed

¹³ "Mercatores sunt qui emunt, ut immutata re non suis usibus, sed aliorum carius vendant" (Oñate, 1647, p. 685, pt. 137).

¹⁴ Interestingly, this absence of restrictions included gender restrictions. Oñate explicitly states that women can also work as merchants (Oñate, 1647, p. 686, pt. 146).

the foundation of economic value, as I showed before, he stated that the labour of merchants was certainly not a good rule in order to explain the prices that things have. Looking at the labour and risks the merchants took was not a good rule. Prices were related to common estimation, and many times this common estimation of people give as a result a lower price than the costs the merchants have had bringing that good to the market, making them to lose money. But when he analysed the merchants' work, he stated that communities needed the merchants (not a singular merchant, but merchants in general), and that they could only exist if in their buying and selling they obtain some reasonable profit. Merchants buy and transport things from one place to another, allowing people to sell things and to purchase them (Oñate, 1654, p. 42, pt. 42). If they have to sell without covering their costs, or without earning a profit, they will simply stop trading, and that will result in useless surplus in some places and in a lack of goods in other places. As long as people want to receive their beneficial effects, merchants should cover their cost and earn a profit for their work. For the Jesuit, this second approach, certainly more practical than theoretical, should also be taken into account (Oñate, 1654, p. 42, pt. 43). The economic life shows that it is important to take into account merchants' profit, posing a challenge to the idea that relates economic value with common estimation. The labour value theory seems to be, in the real world, the way in which prices are established (or at least, the way in which the prices of the goods that are sold by merchants).

To solve this question, Oñate makes an interesting distinction. From a theoretical perspective, for him there is no doubt that economic value is related with common estimation and not with labour. But from a practical perspective he accepts that this labour value theory is reasonable, and he thinks that for this particular perspective, it should not be totally rejected. Scotus' problem, says Oñate, is that he thought that looking at merchants' costs and profits was a rule that allowed us to understand which was the last foundation of economic value and not what it really is: an empirical description of how markets usually work. The Jesuit accorded that at some point it is necessary for communities to accept prices that cover labour, industry, expenses and risks of merchants. If they do not do this, they will stop receiving the benefits of their work. But this labour value approach, remarks Oñate, should be only "considered" (*esse considerata*) in order to establish prices. In no way this description should be taken as rule nor as the last foundation of value:

We do not say that these four elements, expenses, industry, labour, and the risk of the seller should not be considered for establishing a just price, whether legal, common, or conventional; but we assert that should not be considered a good rule nor a conclusive reason for it (Oñate, 1654, p. 42, pt. 43).

In this way, Oñate reconciled these two perspectives. Prices are the result of common estimation. This is the real foundation of economic value. However, as long as people want to receive the beneficial work of merchants, they must understand and accept that they should pay prices that cover their costs and allow them to earn a profit. As Oñate said, certainly not every single product sold by every single merchant should allow them to earn a profit, but in general, they should mainly earn it if people want to have them working and trading in their communities (Oñate, 1654, p. 47, pt. 68).

Conclusion

As I have shown in this article, Pedro de Oñate, as a representative member of the Latin American Hispanic tradition, criticizes the labour value theory (the alleged Scotus's theory of value) and instead considers that the foundation of economic value lays in the common estimation of people. In order to understand what it is that makes people estimate things in a different way, Oñate states that common

estimation is not related to the nature of the object, nor the objective necessity that arises from its nature, but to some special kind of necessity that people have, and that cannot be reduced to something merely natural. Oñate tries to establish different kinds of ways in which we can understand the idea of "utility" in order to explain why some things that are not necessary for human life are considered more valuable than useful things. To solve this problem, he says that the utility of something is related to the brightness one thinks that this thing will give to one, and its scarcity. While developing these ideas, he explicitly says that he was arguing against Scotus' labour value theory. People estimate things in relation to this "utility", says Oñate, and they do not take into account the labour, risks and industry of merchants that sell the goods. In fact, when merchants sell something, they give to the buyer the good, but the costs, risks and industry they have in order to bring that good to the market does not go to the buyer. So, the idea that labour is the last foundation of economic value is clearly wrong.

Oñate revisits the question some paragraphs later, while discussing the importance of merchants. As I showed, the Jesuit considers that merchants' work is very important for communities, and that their work is highly beneficial for everyone. Thus, if people, and especially authorities, push them or even oblige them to sell their goods at a price that does not allow them to cover their costs and earn a profit, they will simply stop trading in that community. If that happens, people will lose all the benefits of their work. Because of this, Oñate accepts that although this Scotus' rule does not describe the true nature of economic value, he considers that it is something that should be taken into account in order to secure the merchants' presence in the communities.

In this way, Oñate sustains the thesis that relates economic value to common estimation and at the same time makes a strong defence of merchants and their work. As I said at the beginning of this paper, the lack of merchants in Latin American posed an important challenge to everyday life for the people living there. So, Oñate's work can be understood as a combination of a theoretical approach, in which economic value was related to common estimation and utility, with an empirical and practical approach, specifically dedicated to the prices of the goods that were sold by merchants, in which economic value was related to their costs and the profits. The Jesuit recognizes that this second approach is, strictly speaking, not a rule nor the real foundation of economic value. However, if anyone wants to really understand how economic life is, especially in Latin American, he or she should take these ideas into account. In this way, for Oñate, a true understanding of trade (and of commercial life in general) should combine the analysis of the theological, philosophical and moral elements with the social and economic impact that these activities have. In my opinion, the way in which he deals with Scotus' labour value theory is a clear example of these efforts.

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