

Aquinas and the Welfare State

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Abstract

This paper aims at determining whether the concept of the welfare state can be compatible with Thomas Aquinas' political philosophy. Since the welfare statist model is increasingly applied in more economically developed countries, including Catholic ones, the question of compatibility is asked.

The question is analysed on two levels, the theoretical and the implementational: whether the welfare states is just according to Thomism and whether the state has the moral means to implement it. Various policies typical for the welfare state are assessed from a Thomist perspective. The paper shows the incompatibility of authoritative redistribution, money creation, forms of repricing and forms of taxation with Aquinas' thought. Furthermore, the scope of some values that usually conceptually underpin policy-making, such as justice or equality are shown to be incompatible.

The paper concludes that Aquinas' thought cannot be coincided with welfare statism. The concept of a welfare society – one based on charity and common responsibility – is proposed to be Thomist instead.

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Part I

Background

Many more economically developed countries have recently shifted towards greater welfare expenditure (Barr, 2004). The ideas of wealth redistribution, equal opportunities or equality in general, as well as security and social insurance, have gained attention and are increasingly applied. The expenditure is mainly covered through taxation, but also through deficit spending and money creation.

Thomas Aquinas is one of Europe's most influential philosophers. Aquinas is famous for contributions to theology and philosophy, especially in the fields of ontology, metaphysics, ethics, and aesthetics. Aquinas has built on Aristotelean foundations and in that he collaborated on one of the most influential bodies of thought in the Western world. His work in political philosophy, albeit noticed, remains obscured by a bitter battle of interpretations that emerged. The stakes are high – having one of the most influential thinkers on one's side is no trivial matter. Thus both, socialists and free market advocates, attempt interpretations that would justify their camps' agendas in Thomist terms. On one hand, R.H. Tawney (1937), a Christian socialist thinker, concludes that “the true descendant of the doctrines of Aquinas is the labour theory of value. The last of the Schoolmen was Karl Marx”. On the other hand, Murray Rothbard (2003, ch.1), a philosopher and economist, states that Austrian Economics is rooted in the philosophy of Late Scholastics and Aquinas, their predecessor. A somewhat more moderate, but still strongly inspired by Marxism, perspective is provided by MacIntyre (O'Rourke, 2013). Yet, it seems that many treatments of Thomism are highly abstract, filled with metaphysical excursions and ontological play, but pay inadequate attention to Aquinas' quite direct writing on economics, business ethics and the function of the state. Judgments on interpretations are weighty – the Catholic Church is probably is one of the most influential and ancient *think tanks*.

The new shift towards the welfare state includes some democratic countries in which the vast majority of the population is Catholic. Portugal and Poland are good examples of such countries; in both, the vast majority is Catholic and both countries have a significant and increasing welfare expenditure (of GDP), 21.1% and 23.0% respectively in 2004 (OECD, 2004). Although the Church and state are separated, the ethical system of the vast majority in a democracy

should in theory dictate the telos of governmental policies.

This raises two questions – one theoretical, one practical:

Does the welfare state bring justice, i.e. is it in accordance with natural law? If so, what are just ways of implementing it?

The desirability and morality of policies typical for welfare states can be evaluated through Thomism. By identifying the moral limitations on taxation in the political philosophy of Aquinas, the legitimacy of the material basis of the welfare state can also be easily analysed – and if the legitimate methods of covering expenditure are insufficient for the welfare state or the value system incompatible with Aquinas' sense of justice, the concept of the welfare state can be abandoned altogether by the modern Thomist.

Part II

Briefly on the Welfare State and its Revenue

The term „welfare state” can generally be attributed to two models:

- A state that provides welfare to its citizens (to a large part of the society, independent of the wealth of particular receiving citizens)
- A state that provides a social safety net (mostly beneficial to less wealthy citizens)

The welfare state is a model in which emphasis is put on the welfare of citizens which is demonstrated through extensive use of welfare programs, such as a public health care system or unemployment benefits. Most more economically developed countries, most notably, all OECD members, have a considerable welfare expenditure (Barr, 2004). This expenditure is covered mainly by taxes, but is often also be covered by the use of deficit spending and money creation.

Welfare statism, like socialism, stands in opposition to both, laissez-faire capitalism and communism. The welfare state is often criticised by advocates of capitalism for „not [being] capitalist enough” (Fund, 1990) and by socialists for „not [being] socialist enough” (Higg, 2000). The welfare state can be thought

of as a „middle way between socialism and capitalism” (Bradley, 2010). Welfare statism will be used as an umbrella term to cover various political ideas that justify increased government spending for values such as security, equality, solidarity, and welfare. Policies are financed or achieved through taxation (e.g. repricing – the authoritative change of market prices). The Oxford English Dictionary defines taxes as “a compulsory contribution to state revenue, levied by the government on personal income and business profits or added to the cost of some goods, services, and transactions” – taxation is a problem that Aquinas discusses directly.

The welfare state firmly rests on ideas linked to notions of social justice. Especially prevalent is the idea that the invisible hand is not a hand of justice and prices are often unjust – which may evoke connotations with Aquinas’ just price. Furthermore, it capitalises on ideas regarding the obligation of members of society and creates a state-directed solidarity, which rests on a simpler redistributive solidarity that is also present in Thomism. Furthermore, the welfare state often advocates paternalism, which is also an issue that Aquinas discusses. All of these translate into real policy-making.

Part III

On the Anachronisms

In the times of Aquinas, the state¹ played a different role to the modern state. Services similar to what today is known as education and health care systems were in the hands of the Church to a great extent, which means systems of (theoretically, i.e. usually non-violent) voluntary contribution were the main source of revenue. The state and the Church formed an interdependent body and formally the state did not have a monopoly on such a vast amount of services as currently.

In welfare states, tax revenue is mainly used to cover the costs of a multitude of state services. In Aquinas’ times similar, however far less complex, state-owned or state-bound services existed. It must be noted that the state was highly decentralised, and mostly towns or villages were administratively responsible for these services. The costs of these were covered by tax-like systems

¹The term “state” is to be understood as „governing authority and its apparatus”. Aquinas usually uses “Prince” for the government and its apparatus.

such as tributes or taxes imposed on serfs. Most notably Church revenue came from the tithes, a quasi-imposed „tax” by the Church, which was of approximately 10% of one’s income. Although the differences as to the scope of state services are vast, the underlying moral dicta for taxing are the same. Applying Aquinas’ conclusions on taxes and state services in the modern realm is not anachronistic, because Thomism is teleological and based on natural law – not consequentialist or implementation-oriented. The *teloi* can be compared and assessed and the natural laws applied to modern human laws.

Aquinas’ ethical standards regarding trade and the state can be applied to modern society. Aquinas distinguishes between divine, eternal, natural and human law, the first two of which have little direct political relevance. Human law is a non-injective (there are many possible) derivation, by means of reason, of the intrinsically legitimate natural law (Aquinas, 1981, II-II Q.62 Art.1). Thus, by applying Aquinas’ method of deduction from natural law, it is possible to examine matters unknown to his times. Any legitimate political system must revolve around the governing principle of the natural law “good is to be done and pursued, and evil avoided” (Aquinas, 1981, II-I Q. 94 Art. 2) and a political system following this principle is legitimate.

Part IV

Aquinas’ Justice and the Welfare State

1 Paternalism

Answering the question of paternalism is crucial in delineating the role of the state. Paternalism can be broadly understood as actions by authorities for the supposed benefit of their subjects, usually independent from the subjects’ own will or knowledge. Taxation can be used that way, e.g. financing compulsory state education through taxation is to the subjects’ supposed own benefit or, say, instituting some goods as public goods (such as roads) can fulfill this function. Taxation can also serve repricing, which is either based on the idea that the invisible hand needs the government’s guiding hand to bring unnatural prices to justice (this justice-oriented repricing will be discussed in its own section)

or based on the idea that repricing helps subjects. Such paternalist repricing may be individualistic or communitarian, i.e. that repricing is good for the individual (e.g. taxing cigarettes) or good for the community (e.g. subsidising local farmers). Furthermore, the question of paternalism raises the problem of transparency – paternalism often has to be non-transparent. Just like a medical doctor may hide dangerously shocking facts from their patient, the state may use hidden means of taxation to milder its negative consequences.

Most importantly, paternalism may be instituted against the subjects' will, i.e. their normal voluntary proceedings, and Aquinas is very clear on that: "violence is directly opposed to the voluntary, as likewise to the natural" (1981, II-I Q.6 Art.5). This is fundamentally based on the requirements he puts forward for virtuous acts, which must both have good intent directed towards manifesting a virtue and good consequences. Acting good and thus fulfilling the second requirement, just because one has no choice, does not satisfy the first requirement of intent (Aquinas, 1981, II-I Q.6 Art.5 & Art.20 Art.1).

Minimal evil and double effect (where there is a bad and good consequence of an action) are also crucial to evaluate paternalism as such. Paternalist policies are often justified through a calculation of greater evils and goods – e.g. nationalising a private firm may unjustly harm the owners but one could argue that it could maximise common justice. Double effect is thoroughly discussed by Aquinas (1981, II-II Q.64, Art.7). It is clear that one is prohibited from acting in a way where the bad effect is the means by which the good is achieved.

Aquinas attributes great importance to the law. In general, it should be obeyed because it is aimed at the common good and represents reason. Also, subjects have a moral obligation towards their superiors (Aquinas, 1981, I-II Q.90-108). Yet, if the law fails to be aimed at the common good or represent reason (and thus be against natural law), then Aquinas allows for civil disobedience.

Aquinas also states that disobedience to unnatural law is a virtue ("non possumus" is still practiced² by the Catholic Church) (Aquinas, 1981, II-II Q.104 Art.2), because "it is more grievous to disobey God than man" (Aquinas, 1981, II-II Q.105 Art.2). This gives a lot of hope to modern Thomists and guidance for practical action.

²In 1953, Polish bishops signed a "non possumus" letter against the subordination of the Polish Catholic Church to the Communist state (Raina, 1995).

1.1 Common Good and Communitarian Paternalism

Many justifications of paternalism rest on ideas linked with the common good. Many justifications of redistribution have a utilitarian basis (Saint-Paul, 2011) and seem to reflect Aquinas' notion of the common good and happiness that is to be provided by the state; in that law should be aimed at the common good and providing people with happiness (1981, II-II Q.66 Art.9). Moreover, he holds that one of the major duties of the prince is to provide peace and order which is derived from his notion of the common good. Peace is also to be understood broadly, not only military peace but also freedom from civil unrest, a general state of societal tranquillity. From such understanding of peace, it might appear that a state caring for the welfare of its citizens would diminish the discontent in the society is perfectly coherent with Aquinas' thought.

However, the term "common good" and the reference to "happiness" is not to be understood in the utilitarian sense. Aquinas' "common good" is an abstract deontological term and completely incompatible with utilitarian principles such as Bentham's famous greatest happiness principle (Bentham, 1970). The "common good", Aquinas states, is defined by natural law (1981, II-II Q.92 Art.1). The term "happiness" does not refer to welfare nor material goods, but rather a life that is in accordance with natural law, a life that is virtuous and acting is good (Aquinas, 1981, II-I Q.2 Art.2-5). Whether societal tranquility is a property of welfare states is dubious and forced redistribution seems to starkly conflict with the Thomist notions of non-violence and private property

1.2 Taxation Paternalism

Not all taxation needs to be paternalistic. Some taxation may be simply to safeguard a necessary common good (albeit unclear what would constitute that necessity), but a lot of taxation is directed at the subjects' supposed good against their will. This may take the form of paternalistic repricing (e.g. taxes to discourage alcohol consumption) or in that the state believes it knows how to better spend the citizens' money on services (e.g. compulsory state education, which is underpinned by the belief that parents may be inadequate caretakers and children inadequate decision-makers and children need to be forced to go to school for their own and their parents' good). Taxation as such seems to have a strong paternalistic component.

Aquinas directly provokes the question of the moral legitimacy of taxation by openly stating: "earthly princes violently extort many things from their

subjects: and this seems to savour of robbery” (Aquinas 1981, II-II Q.6 Art.66). Yet, despite the Nozickean (1974) connotations this may evoke, Aquinas quickly dismisses the claim and justifies violent expropriation by the government: “it is no robbery if princes exact from their subjects that which is due to them for the safe-guarding of the common good, even if they use violence in so doing”. In other words, taxes can cover the costs of fulfilling the state’s duties as long as they are compatible with natural law. Clearly, the conditional’s antecedent is satisfying the requirements of natural law, so the analysis of just taxation must rest upon whether natural law is satisfied by policies that must be financed through taxation.

Two subtle hints showing the general direction of Aquinas’ thought are given. One lies in that he follows Aristotle in his advocacy of private property private property as the naturally best form of property. Collectively held property has unclear responsibilities (1981, II-II Q.6 Art.66). Aquinas holds that rather than common property (collectivism), common usage (e.g. lending services) should be applied where necessary. The implementation would mean as little public goods as possible, which is very much opposed to how vast welfare states are. The second hint lies in his already discussed critique of violence and strong favour of the voluntary. Since taxation necessarily has a violent component, it seems that it may be necessary to keep it as the already discussed minimal evil. It can be said that a Thomist political philosophy does not favour high tax burdens.

If, however, the state fails to satisfy natural law requirements in its taxation, Aquinas brutally dismisses it. The fragment of the *Summa Theologiae* op.cit. extends to the following:

It is no robbery if princes exact from their subjects that which is due to them for the safe-guarding of the common good, even if they use violence in so doing: but if they extort something unduly by means of violence, it is robbery even as burglary is. (Aquinas, 1981, II-II Q.66 Art.9)

This means that misused funds have to be retributed if the states fails its duties, it must return the goods (Aquinas, 1981, II-I Q.6 Art.5). This shows the often forgotten Thomist symmetry of the state’s obligations towards its citizens. . . .

1.3 Transparency

Generally, if taxation is less transparent, laymen will perceive it as less afflicting (Watrin/Ullmann, 2008). This can be done through burdening the employer and not the employee, or through indirect taxation (Alt, 1983). One of the best documented cases of a shift towards hidden taxation is medieval England where in the 13th century, the revenue was constituted of around 70% direct and 30% indirect tax shifting continuously to approx. 40% direct and 60% indirect in the 15th century (McKitterick, 2000) and stayed in this approximate ratio in most OECD states (OECD, 2006). This is a wide and global trend of shifting towards indirect taxation and more hidden means of taxing (see Alt (1983)).

Aquinas requires transparency as a prerequisite to non-fraudulent transactions which he deems sinful (Aquinas, 1981, II-II Q.77 Art.4). If transparency is a primary requirement of just transactions and the state is not excluded from this rule, then states must create tax structures which fully transparent. This is a far cry from reality in most states, where whole industries of tax experts are required to disentangle tax structures. Hidden taxation is therefore a form of fraud, because it creates artificial information asymmetry between the state and the payer. Inflation tax, forms of quantitative easing, falls under the same category. Hidden taxation can take the form of paternalism, where the state decides that it is better for the payers or the community not to fully understand the dimension of their burden. Welfare states mainly finance themselves from indirect taxation, which is more hidden than direct taxation.

Money creation and excessive deficit spending can be evaluated through Aquinas' ethics. Money creation, for the scope of this essay is to be paralleled with debt monetisation and quantitative easing, colloquially referred to as "printing money" by central banks. Aquinas' arguments against usury and fraud can be applied to money creation. He claims that usury is illegitimate because money has no use in itself and can only be used to buy something, by selling that what is used to be sold one sells something that does not exist. Because central banks lend money with interest to financial institutions, they commit the sin of usury from a Thomist view. Furthermore, Aquinas quotes Isaiah 1:22 "Thy silver is turned into dross, thy wine is mingled with water" (1981, II-II Q.77 Art.2, op.cit.) to criticise forms of fraud. Since the first instances of money creation were simply adding less precious metals to the coins as coins were bound to gold, the practice of money creation would be considered fraudulent by Aquinas. Non-transparent debt and deficit spending are another

characteristic of welfare states (OECD, 2013), against which Aquinas warns in his arguments on usury.

2 Just Price

The term “repricing” is to be understood broadly as any authoritative change of the market price. The idea of just price allows for policies regarding minimum wage, state-subsidies, taxation discouraging buying, and generally various laws regarding loan sharking, predatory pricing, and price ceilings and floors. Welfare states usually employ diverse tools to normatively analyse what the proper pricing should be and then divert prices from their market values towards the target price. Whilst this is true for paternalistic repricing too, justice-oriented repricing has different moral underpinnings, which rest a set of normative clauses about market exchanges.

Theories of value underpin just price theories and are attempts to explain the exchange value of goods and services and are often the basis for regulation of prices. One prominent example is the labour theory of value of Karl Marx (2008). Theories of value are conceptually bound to ideas about justice in market exchanges, e.g. just prices, which can be traced back to Babylonian philosophy (Baldwin, 1959) and the European middle-ages.

Aquinas’ notion of the just price is controversial and diversely interpreted. Aquinas contributes to the concept rooted in Aristotle’ philosophy (Wilson, 1957, p.56-74). Aquinas, following Albert Magnus, creates a concept notably similar to the labour theory of value which states that the value of commodities is a function of cost and labour: an exchange price of two goods is just if “their production represented equal amounts of labour and expense” (Aquinas, 1981, II-II Q.77 Art.1). When R.H. Tawney stated that the labour theory of value was the „true descendant” of Aquinas and that its last schoolman was Karl Marx, he referred to Marx’s contribution to the labour theory of value. Such theory implies that a just price of a good or a service is the price that is proportionate to the labour needed for it, rendering Aquinas’ theory of value inherently opposed to the price as defined by the microeconomic principles of supply and demand.

In contrast, Aquinas justifies seeking profit to a notable extent. As long as it is directed at some virtuous end profit is legitimate; another limitation is that it must not involve any fraud (Aquinas, 1981, II-II Q.77 Art.4, ob.cit.). Aquinas seems to permit actions that would be highly illegitimate in a reading

centred around the labour theory of value, such as Tawney's (1937) or . He retells the story, which Cicero presented in *On Duties* (1913, Book III, Art. XII) of a merchant who is confronted with an ethical dilemma. He travels to a town which is stricken by famine and wants to sell his grain to the starving townsfolk, but he knows, unlike the townspeople, that other merchants follow him with more grain. Should he tell the townsfolk about the other merchants and thus sell at a lower price? Aquinas, unlike Cicero, concludes that he is not morally obliged (although it would be highly virtuous if he did) to inform his customers (Aquinas, 1981, II-II Q.77 Art.3), because the trader is not obliged to know that the traders will arrive. Aquinas not only recognises supply and demand, he also readily permits selling at an abnormal price. This seems to contradict the idea that a just price is a function of cost and labour.

It might seem that Aquinas is inconsistent in his writings on just price (Hollander, 2007, p.615-634). Nevertheless, the theory of value of his successors in the School of Salamanca three centuries later, and more importantly his mentor Albert Magnus, is much more detailed. There seems to be evidence that Magnus suggested that the just price is the price according to which goods are worth proportionately to the estimation of the market price at the time of sale (de Roover, 1958, p.339-349). This implies the immorality of exploiting an abnormally urgent need, a stance coherent with Aquinas (1981, II-II Q.77 Art.1). The School of Salamanca is known for its early analysis of microeconomics (Meadowcroft, 2009). Since Aquinas is not precise on the just price and both, his predecessor as well as successors, are more specific and regard the just price as the normal market price, it seems correct to assert that Aquinas was similarly minded when referring to the just price.

Furthermore, Aquinas seems to recognise subjectivity of value and opportunity cost, hence he legitimates price accordingly: "when a man has great need of a certain thing, while another man will suffer if he be without it. In such a case the just price will depend not only on the thing sold, but on the loss which the sale brings on the seller" and the deviation of price from the just price must not exceed one half of the just price (Aquinas, 1981, II-II Q.77 Art.1).

Regarding urgent needs, Aquinas states: "because the usefulness that goes to the buyer comes not from the seller, but from the buyer's needy condition: no one ought to sell something that doesn't belong to him" (Aquinas, 1981, II-II Q.77 Art.1). This recognises utility in two forms: a normal utility (without urgency) and utility under urgency. It is not the urgency as such that prohibits from the abnormal price, but because it is not the seller's merit that utility

under urgency is higher. This means, that abnormal prices can still be moral. Aquinas displays an understanding of subjective utility, a concept which stands in opposition which the objective attempts of labour theories of value. The only consistent interpretation is that the just price is an estimation of the general market price of that good – and is not labour related.

On the contrary to these pro-capitalist tendencies, Aquinas holds that financial gain without real production is immoral. He claims that usury is illegitimate because by selling money one sells something that does not exist: “Accordingly if a man wanted to sell wine separately from the use of the wine, he would be selling the same thing twice, or he would be selling what does not exist, wherefore he would evidently commit a sin of injustice” (Aquinas, 1981, II-II Q.78 Art.1). Consequently, governmental regulations regarding various financial manipulations such as (to name a few) credits, loans, lending with interest and currency exchange are justified according to Thomism.

It seems, Aquinas’ ethics and political philosophy are compatible with some price regulations, especially in the financial market and strictly prohibit quantitative easing. More importantly, Aquinas permits all voluntary transactions not involving fraud, as long as they do not deviate strongly from the just price. Taxation that heavily intervenes with the market in terms of prices seems to be incoherent with Aquinas’ political philosophy. Another characteristic of the welfare state is therefore incompatible with Thomism.

3 Charity

Redistribution of wealth is a crucial element of any welfare state. Progressive taxes are used in order to transfer wealth from more wealthy to less wealthy which is usually justified on an egalitarian, often utilitarian, basis (Robert, 1974, p.339). From the deontological perspective, equality is a value and its establishment a duty, while from the consequentialist standpoint, equality has positive consequences. Thomas addresses both of these perspectives.

Charity is one of the three theological virtues and although the main meaning is love, *agape* and *caritas*, it also can be expressed through almsgiving. Aquinas holds that there is a moral obligation to distribute with provision to the poorest in society; he states that superfluous property or “surplus” (which he defines as unused) (Aquinas, 1981, II-II Q.32) should be given to those in need. For example, he states, it is morally impermissible to deny someone the right to use

a field that would be otherwise unused, since the superfluous field is a sign of the Grace of God which must not be wasted. Thus, if the rich, for example, invest their goods, they are not wasting the Grace of God and consequently it is not always unjust to own more goods than possibly usefully consumable. Aquinas clearly states that it is not a duty to give alms: “we are bound to give alms of our surplus, as also to give alms to one whose need is extreme: otherwise almsgiving, like any other greater good, is a matter of counsel”³.

Nevertheless, Aquinas states that it is justified, although very rarely, to appropriate goods in order to meet an extremely urgent need: “if the need be so manifest and urgent, that it is evident that the present need must be remedied by whatever means be at hand (for instance when a person is in some imminent danger, and there is no other possible remedy), then it is lawful for a man to succour his own need by means of another’s property, by taking it either openly or secretly: nor is this properly speaking theft or robbery” (Aquinas, 1981, II-II Q.66 Art.7). This, however, cannot be applied in regard to taxation and the state. Since redistribution has to be constantly applied, it would be no extraordinary case.

A further justification for redistribution is that of equality (Robert, 1974) which is inconsistent with Aquinas’ almost anti-egalitarian thought. Aquinas states that imposing equality would be “to destroy the order that exists in things”; paralleling meritocratic defences of capitalism he states: “by natural law, the country or community should provide more for those who merit more” (Aquinas, 1948, IV(IX) p.76-77).⁴ Aquinas states that some persons are more important in the community; hence material wealth is to be “proportionate to the importance of the position” (1981, II-II Q.61 Art.1). This way he justifies material inequality in distributive justice.

Although the purpose of taxation and charity is the redistribution of wealth in the society, the means are essentially different and the arguments in favour of charity cannot be applied to taxation. This is because charity is voluntary redistribution and taxation is enforced redistribution. To evaluate the moral value of an action, Catholics consider both intention and consequence. For an action to be good, it has to have good motives and good consequences. Crucially, as already discussed in paternalism-related problems, if an individual

³ *Counsel* is an advisory declaration that is not universally binding but as given for aid in attaining moral perfection

⁴ It should be noted that merit is not well-defined and that the term “provide” (*provideo*) is ambiguous; it is not clear whether a moral or legal obligation and whether of a material or non-material nature.

is forced to do something good, his acts cannot be virtuous (nor evil), because they are independent from intention (Aquinas, 1981, II-I Q.6 Art.5 & Art.20 Art.1, op.cit.). State-governed redistribution is therefore morally meaningless – coercive charity is impossible.

Thus, Aquinas' political philosophy is incoherent with the idea of enforced redistribution, and charity has to be a matter of choice. Nevertheless, it has to be stressed that charity, or voluntary redistribution, is a moral obligation of everyone who can afford it. Thus, it seems Aquinas' writings are coherent with a welfare society based on charity, but not a welfare state based on taxation.

Part V

Evaluation

According to Aquinas, taxes are not to be used in an excessive manner. As shown, this excessiveness is represented in government spending of a welfare state and thus the means of obtaining the very basis of the welfare state is incompatible with Aquinas' ethics and his notion of common good. Surprisingly many of Aquinas' sentiments resemble Nozick, perhaps he was the mediaeval proto-Nozickian. Most importantly, in Aquinas, the state cannot morally afford to implement welfare-oriented policies.

Moreover, the repricing and redistributionist functions of taxation which are a crucial part of the welfare state can be mostly dismissed from a Thomist perspective. Repricing is only allowed in the financial sector. Redistribution is to be voluntary in the form of charity and must not be enforced by the government. Furthermore, money creation, hidden taxes and excessive spending are forbidden. Money creation and hidden taxes are fraudulent while excessive debt is warned against. All these are illegitimate ends.

The idea of the welfare state can be dismissed from a perspective of Aquinas' political philosophy on two levels: it is not affordable and it is not a just end in itself.

Instead, a welfare society with limited government can be proposed as an alternative to the authoritative welfare state. Historically, Aquinas' approach was responsible for a relaxation of the negative opinion which mercantile traders were subjected to (Guinness, 1998) and his thought and popularity were major contributions to the development of capitalism. He recognised the importance

of merchants distributing goods and stated that trade positively contributes to both, seller and buyer (Aquinas, 1981, II-II Q.77 Art.4) . This relaxation was necessary to evolve the economy into mercantilism and later into the more complex market economy. The modern Thomist should strive to replace the current tax-based system of pseudo-charity with one that is voluntary and vote against money creation and the like. Anyone else can learn from Aquinas' early insights.

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