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XXII.3 On ideal moneys

- The Spirit of Law - Book XXII. On laws in their relation to the use of money -

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XXII.3 On ideal moneys

There are real monies and ideal monies. Organized polities, almost all of which use ideal moneys, do so only because they have converted their real moneys into ideal ones. At first their real moneys are a certain weight and a certain purity of some metal ; but soon bad faith or need leads to some reduction of the metal in each coin on which they have left the same name. For example, from a coin weighing one pound silver, half the metal is removed, and it continues to be called a pound ; the coin that was the twentieth part of the pound of silver continues to be called a sou even though it is no longer but the twentieth part of that pound. At that point the pound is an ideal pound and the sou an ideal sou, and the same goes for the other subdivisions : and this can go so far that what will be called a pound will be down to a very small portion of the pound, which will make it even more ideal. It can even happen that no coin will any longer be made that is worth precisely one pound, and there will be no coin made either that is worth one sou : at that point the pound and the sou will be purely ideal moneys. Each coin will receive the denomination of however many pounds and sous one wishes ; the variation might be continual, because it is as simple to give another name to something as it is difficult to change the thing itself.

To remove the source of abuses, it will be a very good law, in all countries that wish to make commerce flourish, to decree that real moneys will be used, and that no operation will be performed that can make them ideal.

Nothing should be so free of variation as that which is the common measure of all things.

Doing business is in itself very uncertain, and it is a great shame to add a new uncertainty to the uncertainty which is based on the nature of the thing.