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XXII.2 On the nature of money

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

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Money is a sign that represents the value of all merchandise. A metal is used so the sign will be durable, [1] will be little diminished by use, and can without deterioration be multiply subdivided. A precious metal is chosen so the sign can easily be carried. A metal is most suitable to serve as a common measure because it can easily be reduced to the same unit. Each state puts its imprint on it so that the form will correspond to the purity and weight, and both will be known on simple inspection.

The Athenians, being unaccustomed to metals, used cattle, [2] and the Romans sheep ; but one ox is not the same thing as another ox the way one piece of metal can be the same as another.

As silver is the sign of the values of commodities, paper is a sign of the value of silver ; and when it is good, it represents it so well that as far as the effect is concerned, there is no difference.

Just as silver is a sign of a thing, and represents it, every thing is a sign of silver, and represents it ; the state is prosperous to the extent that, on the one hand, silver indeed represents all things, and on the other, all things indeed represent silver, and are the sign of each other : in other words, in their relative value, you can have one as readily as you have the other. That never happens except in a moderated government, but it does not always happen in a moderated government : for example, if the laws favor an unjust debtor, [3] the things that belong to him do not represent silver and are not a sign of it. As for the despotic government, it would be a miracle if things there represented their sign ; tyranny and distrust lead everyone to bury his silver, [4] thus things there do not represent silver.

Sometimes legislators have been so artful that things not only represented silver by their nature, but became money like silver itself. Cæsar the dictator allowed debtors to give their creditors as payment parcels of land at the price they brought before the civil war. [5] Tiberius decreed that those who wanted silver could get it from the public treasury by putting up land for double the amount. [6] Under Cæsar, parcels of land were the currency that paid all debts ; under Tiberius, ten thousand sestertii in land became a common currency as five thousand sestertii in silver.

In England, the Magna Carta rules out seizure of the lands or revenues of a debtor when his movable or personal assets suffice for the payment and he offers to yield them ; at that point all the assets of an Englishman represent silver.

The laws of the Germans evaluated in silver satisfactions due for damages incurred and for criminal fines. But as there was very little silver in the country, they re-evaluated the silver in foodstuffs or livestock. We find this fixed in the law of the Saxons, with certain differences according to the well-being and convenience of the various peoples. At first the law declares the value of the sou in livestock : the two-*trémisse* sou amounted to a yearling steer or a ewe with her lamb ; a three-*trémisse* sou was worth an ox of sixteen months' age. [7] Among these peoples, money became livestock, merchandise or a comestible, and these things became currency.

Not only is silver a sign of things ; it is also a sign of silver and represents silver, as we shall see in the chapter on exchange.

[1] The salt which is used in Abyssinia has the drawback of being constantly consumed.

[2] Herodotus, in *Clio*, tells us that the Lydians found the art of striking money ; the Greeks took it from them ; the moneys of Athens had their

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ancient steer on its face : I saw one such coin among the curiosities of the Earl of Pembroke.

[3] [I.e., a debtor who does not repay his debts on time.]

[4] It is an ancient usage in Algiers that each paterfamilias should have a buried treasure (Laugier de Tassy, *Histoire du royaume d'Alger*).

[5] See Cæsar, *On Civil War*, book III.

[6] Tacitus, [*Annals*,] book VI.

[7] *Leges Saxonum*, ch. xviii.