



# From 'Lex Iniusta' to 'Unmündigkeit': The School of Salamanca, Kant's Practical Philosophy, and the Political Production of Monetary Tutelage

<sup>1</sup>Alejandro Pérez y Soto Domínguez\*, <sup>2</sup>Diana Marcela Rueda Duarte, <sup>3</sup>José Manuel Carballido Cordero

<sup>1</sup>Departamento de Economía, Universidad Nacional de Colombia  
Economist, MSc, PhD in Economics and PhD in Philosophy  
aperezy@unal.edu.co | ORCID: 0000-0001-5190-5297

<sup>2</sup>Universidad de Almería, Spain  
Industrial Engineer, Master in Industrial Engineering. PhD Candidate in Philosophy.  
dmarcerd@gmail.com | ORCID: 0009-0007-3235-9252

<sup>3</sup>Universidad de Almería, Spain  
Philosopher, Master in Economics, PhD Candidate in Philosophy.  
josemagr@hotmail.com | ORCID: 0009-0006-6487-5916

**ABSTRACT:** This article argues that state-issued fiat money constitutes a form of *Unmündigkeit* (minority, immaturity) in Kant's precise technical sense, and that this thesis has a direct antecedent in the School of Salamanca. We show that the Salamantine doctrine of monetary debasement as larceny and the right of resistance grounded in *lex iniusta non est lex* anticipate, in natural-law vocabulary, the same problem Kant reformulates in terms of practical reason. We further argue, drawing on Kant's distinction between *Unmündigkeit* (1784) and *Selbständigkeit* (MS, AA 6:314), and on the German Kantian tradition (Höffe, Kersting, Siep, Henrich, Adorno), that the monetary monopoly violates categorical requirements of the *Rechtslehre* and destroys the epistemic infrastructure of rational self-governance. Three necessary conditions of monetary legitimacy are derived.

**Keywords:** Categorical Imperative; Fiat Money; *Mündigkeit*; School of Salamanca.

**Received:** 10.01.2026

**Accepted:** 19.02.2026

**Publication:** 07.03.2026

## 1. Introduction: Money, Freedom, and the Problem of Tutelage

Money is a philosophical problem because it is a problem of freedom. Hobbes saw this clearly when he described money as the blood of the commonwealth (Hobbes, 1996 [1651], ch. XXIV). To call money the blood of the state was to acknowledge that it had been something before the sovereign claimed it – a living social substance circulating through the daily life of communities – and to announce that the sovereign had now captured it.

For most of human history, money was not primarily an economic instrument but a customary object carrying religious, juridical, and moral meanings. Marcel Mauss demonstrated that exchange in archaic societies was a total social fact, simultaneously religious, juridical, moral, and political (Mauss, 1990 [1925], p. 3). Georg Simmel had warned that money is not merely an instrument of exchange but the structuring agent that makes possible the projection of human ends into the material world (Simmel, 2004 [1900], p. 131). The one who controls money controls the individual's capacity to be a fully rational agent. The expropriation of money is, in this sense, the expropriation of rational agency itself.

What makes this mechanism philosophically singular is that it does not generate the resistance that other forms of power invariably provoke. The political act of seigniorage — the sovereign's prerogative to extract real resources from the population through controlled depreciation of the monetary unit — presents itself as a natural phenomenon. The dominated subject does not recognize the domination. It is a theft without a weapon, a servitude without chains, an expropriation of purchasing capacity that the ordinary citizen registers as diffuse economic malaise before recognizing it as a political act exercised over him by a sovereign will.

The history of money is the history of a progressive expropriation in three stages. In its original form, money was a commodity with use value independent of its monetary function: gold, silver, or salt served as money because they were valuable in themselves. In the second stage, representative money replaced commodity money: the paper note was convertible, on demand, into a specified quantity of the underlying commodity. Convertibility imposed discipline on the issuer. In the third stage, fiat money severed that link entirely: no intrinsic value, no convertibility, only legal compulsion. The citizen who holds fiat money does not hold a title over real wealth but over the state's discretionary willingness to maintain the value it has assigned by decree.

This article argues that state-issued fiat money constitutes a form of *Unmündigkeit* in Kant's precise technical sense, and that this thesis has a direct antecedent in the tradition of the School of Salamanca. The original contribution consists in tracing the philosophical bridge between Salamantine natural-law theory and Kantian practical philosophy through the concept of human dignity as rational self-governance, and in showing that the right of resistance to monetary injustice — grounded in *lex iniusta non est lex* — is the earlier formulation of the same problem that Kant restates in terms of *Mündigkeit* and *Selbständigkeit*. The argument proceeds in four analytical stages: theoretical framework, analytical results, discussion, and conclusions.

There is, however, a deeper unity between these two traditions that the article also seeks to recover. Both the School of Salamanca and Kant share not merely their conclusions about monetary legitimacy but the *direction* of their argument: they proceed from the moral to the economic, asking first what principles are legitimate and deriving from those principles what institutions are permissible. This direction was still present in Adam Smith's dual architecture — *The Theory of Moral Sentiments* (1759) and *The Wealth of Nations* (1776) — the last great synthesis in which moral philosophy and political economy remained integrated. It was progressively abandoned in the nineteenth century and definitively reversed by the marginalist revolution of the 1870s. The reversal is precise: the question 'what is just?' was replaced by the question 'what is efficient?', and efficiency was defined without reference to any prior moral principle. Keynes completed this reversal: in the *General Theory* (1936), money is reduced to three purely instrumental functions — medium of exchange, store of value, instrument of speculation — and the moral question of monetary legitimacy does not arise, because legitimacy has been dissolved into effectiveness. What this article recovers is precisely that lost direction: from the moral to the economic, from the legitimate to the permissible.

## **2. Theoretical Framework**

### **A) The School of Salamanca and the Just Monetary Order**

The sixteenth-century School of Salamanca constituted the first systematic effort in Western thought to articulate a philosophy of the economic order grounded in natural law. Its masters did not compartmentalize economics as a technical domain separate from moral philosophy and jurisprudence. For them, economic exchange was an expression of justice relations among persons endowed with reason and dignity, and any institution violating those relations lacked legitimacy regardless of whether it commanded political backing.

Martin de Azpilcueta, the *Doctor Navarrus*, formulated in his *Comentario resolutorio de cambios* (1556) the first systematic exposition of the quantity theory of money, anticipating Hume and Locke by more than a century (Azpilcueta, 1965 [1556], p. 74). His central argument: the expansion of the money supply without backing in real goods reduces purchasing power and constitutes a harm to those who hold money. Azpilcueta was not offering a neutral economic description but pronouncing a judgment of justice: the reduction of money's purchasing power through supply manipulation was a violation of commutative justice because it unilaterally altered the terms of past and future contracts without the parties' consent.

Francisco de Vitoria, the school's intellectual founder, provided in his *Relectio de potestate civili* (1528) the philosophical foundation (Vitoria, 1960 [1528]). Political authority is legitimate only when it serves the common good of the rational community. Human beings possess, by virtue of their rational nature, an original capacity for self-governance that political power does not create but must recognize and preserve. In the monetary domain, the Salamantine distinction is decisive: the sovereign may exercise monetary authority *on behalf of* the community, but cannot alter the value of the currency *for private benefit at the community's expense* without consent.

Domingo de Soto, in *De Iustitia et Iure* (1556), specified the conditions of commutative justice in the monetary domain (Soto, 1968 [1556], lib. VI, q. II). The coin is the instrument of measure of exchange. Whoever controls the coin and depreciates it alters the terms of all past and future exchanges without the consent of any of the affected parties. This is not an act of governance but a usurpation of the function the coin fulfills as a common good.

Juan de Mariana articulated the most radical argument in *De Monetae Mutatione* (1609). He concluded that reducing the metallic content of coins to finance state expenditure is equivalent to larceny (Mariana, 1987 [1609], p. 581). His argument: the coin belongs to the people, not to the prince. Whoever takes what belongs to another without consent commits theft, regardless of the title with which he is invested. From this, Mariana derived a right of resistance: a people has the right to resist monetary tyranny exactly as it has the right to resist any other form of tyranny, because *lex iniusta non est lex* – the unjust law does not bind in conscience.

## **B) From Lex Iniusta to Unmündigkeit: The Structural Convergence**

The connection between the School of Salamanca and Kant is not merely historical but structural. Both traditions articulate the same problem from distinct starting points and converge on the same institutional conclusion. The philosophical basis for this convergence is established by Kant himself in the *Religion innerhalb der Grenzen der bloßen Vernunft* (1793). There, Kant argues that moral reason and natural theological law converge in their conclusions precisely because practical reason and the natural moral law are, under different descriptions, the same principle:

*„Die allgemeine Menschenpflicht, die überall als das erste Prinzip anerkannt wird, findet sich in einer reinen praktischen Vernunft, die vor aller positiven Gesetzgebung liegt.“ (Kant, 1793, RGV, AA 6:6)*

The difference between Salamanca and Kant is one of *grounding*, not of *argumentative structure*: the Salamantines appeal to theologically founded natural law. Kant appeals to autonomous practical reason. But Kant's point in the *Religionsschrift* is precisely that both traditions arrive at the same institutional requirements because they are tracking the same practical necessity. This provides the philosophical justification for treating the Salamantine *lex iniusta* and the Kantian demand for the public use of reason as structurally equivalent formulations of the same normative claim: authority is legitimate only when it operates under principles that those subject to it can recognize as expressions of their own rational agency.

In Salamantine vocabulary, human dignity is the condition of a being created in the image of God, endowed with reason and thereby capable of governing its own action according to principles of justice. This capacity, which Vitoria called the natural *potestas* of self-governance, is what political power must recognize and preserve. In Kantian vocabulary, *Unmündigkeit* is defined with precision in the 1784 essay. What is decisive in Kant's definition is that the incapacity it names is not cognitive but practical and institutional:

*„Unmündigkeit ist das Unvermögen, sich seines Verstandes ohne Leitung eines anderen zu bedienen. Diese Unmündigkeit ist selbsterschuldet, wenn die Ursache derselben nicht am Mangel des Verstandes, sondern der Entschließung und des Mutes liegt, sich seiner ohne Leitung eines anderen zu bedienen.“ (Kant, 1784, WA, AA 8:35)*

The Salamantine right of resistance and the Kantian public use of reason are analogous. For Mariana, *lex iniusta non est lex*: a law violating the rational order of nature does not bind in conscience. For Kant, the citizen has the duty to make public use of reason:

*„Der öffentliche Gebrauch seiner Vernunft muß jederzeit frei sein, und dieser allein kann Aufklärung unter Menschen zustande bringen.“ (Kant, 1784, WA, AA 8:37)*

Kant does not recognize the right of active physical resistance in Mariana's sense, but he does recognize the inalienable right of public criticism as the genuinely enlightened form of contesting institutional illegitimacy. In both cases, what grounds the critique is not an evaluation of consequences but a judgment about the principle itself.

### **C) Unmündigkeit, Selbständigkeit, and Economic Dependence**

A precise application of Kant's conceptual apparatus to the monetary domain requires distinguishing two related but distinct concepts that are frequently conflated. The *Unmündigkeit* of the 1784 essay designates an incapacity that is primarily epistemic and moral: the failure to use one's own understanding without another's guidance. This concept is pedagogical-moral in its primary deployment. The application of *Unmündigkeit* to the economic-political domain requires the mediation of a second concept that Kant develops in the *Metaphysik der Sitten* (1797): *Selbständigkeit* – civic independence.

In the *Rechtslehre*, Kant distinguishes between the *aktiver* and *passiver Staatsbürger* (MS, AA 6:314). The active citizen is one who possesses *bürgerliche Selbständigkeit* – civic self-sufficiency – that is, who does not depend on another's will for his subsistence and can therefore participate as an autonomous co-legislator:

*„Nur die Fähigkeit der Stimmgebung macht die Qualifikation zum Staatsbürger aus; jene aber setzt die Selbständigkeit desjenigen im Volk voraus, der nicht bloß Teil des gemeinen Wesens, sondern auch Glied desselben sein will, d.i. aus eigenem Willen in Gemeinschaft mit anderen handelnder Teil desselben.“ (Kant, 1797, MS, AA 6:314)*

This passage is philosophically decisive for the argument of this article. Kant explicitly connects economic dependence with political incapacity: the *passiver Staatsbürger* lacks *Selbständigkeit* not because he lacks reason but because his material conditions of life are controlled by another will. The monetary monopoly that systematically depreciates the real value of wages, savings, and intertemporal plans produces precisely this condition of dependence: it places the economic dimension of citizens' lives under a will – the central bank's discretionary monetary authority – that they do not control and cannot effectively contest. The connection between *Unmündigkeit* (1784) and *Selbständigkeit* (1797) provides the precise philosophical bridge between Kant's moral-pedagogical concept and the political-economic domain to which this article applies it: the monetary monopoly produces *Unmündigkeit* in the epistemic sense because it destroys *Selbständigkeit* in the civic sense.

#### D) The Categorical Imperative, the Rechtslehre, and Perfect Duties

The moral condemnation of the monetary monopoly operates at two distinct levels that Kant carefully separates in the *Metaphysik der Sitten*: the level of the *Tugendlehre* and the level of the *Rechtslehre*. This distinction is crucial for establishing the strength of the condemnation. The *Tugendlehre* governs imperfect duties – those that allow latitude in their fulfilment, such as the duty of beneficence. The *Rechtslehre* governs perfect duties – those that admit no exception and can be externally coerced. The monetary monopoly, as will be shown, violates a perfect duty of right, not merely an imperfect duty of virtue. This is the strongest possible Kantian condemnation.

The second formulation of the categorical imperative provides the moral condemnation in the strict sense:

„Handle so, daß du die Menschheit sowohl in deiner Person, als in der Person eines jeden andern jederzeit zugleich als Zweck, niemals bloß als Mittel brauchest.“ (Kant, 1785, GMS, AA 4:429)

Allen Wood showed that this prohibition is structural: what makes a principle instrumentalizing is not that the agent despises the affected party but that the agent’s maxim makes no room for the affected party’s rational agency as a limiting condition (Wood, 1999, p. 144). Onora O’Neill extended this argument to institutions: an institution violates the Formula of Humanity when it operates under a principle that those affected could not adopt rationally if they understood it fully (O’Neill, 1989, pp. 105-107; O’Neill, 2015, p. 67). The monetary monopoly satisfies this criterion precisely: its operating principle requires that the affected parties not understand that monetary depreciation is a tax on their real balances, because if they did, the political conditions for its continuation would be undermined. It is a principle that parasitically depends on the ignorance of those over whom it operates – a structural instrumentalization in Wood’s precise sense.

Dieter Henrich’s analysis of the *Faktum der Vernunft* deepens this argument (Henrich, 1963). Henrich showed that for Kant, the moral law is not a deduction from theoretical principles but a practical fact of reason: it is given in the immediate self-consciousness of every rational agent. The moral condemnation of the monetary monopoly does not, therefore, depend on whether citizens happen to understand the economics of inflation. It is grounded in the *Faktum der Vernunft* itself: any rational agent, in virtue of the structure of her practical reason, cannot universalize the maxim of the monetary monopoly – not because she lacks the relevant economic information but because the maxim is structurally inconsistent with practical reason’s own requirements. The condemnation is *a priori*, not *a posteriori*. This distinction is of the first importance: the monetary monopoly is not unjust because it produces bad outcomes that citizens can perceive and condemn. It is unjust because its operating principle is categorically incompatible with the structure of practical reason.

The first formulation of the categorical imperative – *Handle nur nach derjenigen Maxime, durch die du zugleich wollen kannst, daß sie ein allgemeines Gesetz werde* (Kant, 1785, GMS, AA 4:421) – must be applied with precision. The relevant institution here is not money as such but the monetary contract – the institution by which obligations are denominated in a stable unit of account and thereby made calculable across time. If all monetary authorities adopted as universal law the principle of unilaterally altering the value of the unit in which individual plans are denominated whenever their own ends require it, the institution of the monetary contract would be destroyed: no rational agent could denominate any obligation in a unit whose value is subject to unilateral revision by the party with the greatest interest in that revision. This is the *Widerspruch in der Konzeption* (Kant, 1785, GMS, AA 4:421) in its strict sense: the maxim cannot be universalized because its universalization destroys the very institution on which its own operation depends.

The *Rechtslehre* adds the condemnation in strictly juridical terms. Kant distinguishes empirical possession from intelligible possession (*intelligibler Besitz*): the extension of the will over an object

independently of physical contact (Kant, 1797, MS, AA 6:245). Bernd Ludwig, in his critical edition of the *Rechtslehre*, has shown that this postulate has a specifically temporal dimension: the will projects itself not only spatially, into the objects it claims, but temporally, into the future plans and commitments for which those objects serve as means (Ludwig, 1988, pp. 47-63). Ripstein has shown that intelligible possession is the juridical form of external freedom: to own something is to be sovereign over it (Ripstein, 2009, p. 81).

Ludwig Siep's analysis of provisional and peremptory possession clarifies the relationship between the state and intelligible possession in a way that is directly relevant to the monetary argument (Siep, 1992, pp. 259-281). Kant distinguishes provisional possession in the state of nature – which the state converts into peremptory possession through public law – from the state's subsequent operations on that possession. The monetary monopoly that depreciates the currency without contract is precisely this: the state acting against the intelligible possession it is constitutively charged to protect, operating without the universality of principle that would make its action legitimate as a *Rechtsstaat* rather than as a mere *Gewalthaber* – a holder of force. As Kant establishes:

„Der Vertrag ist die Handlung der vereinigten Willkür zweier Personen, wodurch überhaupt das Seine des einen auf den andern übergeht.“ (Kant, 1797, MS, AA 6:271)

### **E) The German Kantian Tradition: Höffe, Kersting, Siep, Adorno**

The philosophical resources for applying Kant's practical philosophy to institutional critique have been substantially developed by German-language scholarship in the past four decades, providing the conceptual precision necessary for extending the argument to the domain of monetary institutions.

Otfried Höffe, in *Kategorische Rechtsprinzipien* (1990), argues that Kant's legal philosophy provides categorical – not merely hypothetical – principles for the evaluation of political institutions (Höffe, 1990, pp. 74-89). For Höffe, the categorical character of the *Rechtslehre* means that the question of institutional legitimacy cannot be dissolved into a question of economic efficiency or political expediency. An institution that operates on the intelligible possession of citizens without contract is categorically illegitimate, not merely suboptimal. The monetary monopoly that depreciates the currency systematically without the consent of those whose intelligible possession it thereby diminishes fails the categorical test of the *Rechtslehre* at the most fundamental level.

Wolfgang Kersting's *Wohlgeordnete Freiheit* (1984) provides the complementary argument from the side of political philosophy (Kersting, 1984, pp. 131-165). Kersting shows that Kant's concept of *wohlgeordnete Freiheit* requires that institutional arrangements preserve rather than systematically erode the external conditions of rational self-determination. The monetary monopoly fails this test for the same reason that Mariana's prince failed the Salamantine test: it exercises power over a common good without the authorization of those who constitute the community whose good it claims to serve. Moreover, Kersting's analysis shows that well-ordered institutions must be transparent in the sense that those subject to them can in principle understand the principles under which they operate. The technical opacity of central bank monetary policy is not an incidental feature: it is a structural requirement of its operation, because if citizens fully understood that inflation is a tax on real balances, the political conditions for its continuation would be undermined.

Theodor W. Adorno's *Erziehung zur Mündigkeit* (1970) extends Kant's concept into the domain of critical social theory, but with an important qualification that this article must acknowledge (Adorno, 1970). Adorno does not use Kant's concept of *Mündigkeit* affirmatively: he uses it critically, as a measure against which to diagnose the failure of the Enlightenment project. For Adorno, the social production of *Unmündigkeit* is not a deviation from modernity but its structural achievement: advanced capitalist societies systematically produce the incapacity for autonomous judgment that they then cite as the justification for institutional management. We note this Adornian reservation without conceding it: the

formal requirements of the *Rechtslehre* retain their critical force precisely because they are not dependent on any particular substantive account of the good. The categorical condemnation of the monetary monopoly does not require endorsing Adorno's diagnosis of modernity. It requires only applying Kant's own categorical principles consistently.

### **F) The Great Divorce: From Moral Philosophy to Economic Formalism**

The argument developed in this article recovers a methodological direction that the history of economic thought progressively abandoned. Both the School of Salamanca and Kant share a fundamental orientation: they proceed from the moral to the economic, asking first what principles are legitimate and deriving from those principles what institutions are permissible. This orientation was still present in Adam Smith, whose dual architecture – *The Theory of Moral Sentiments* (1759) and *The Wealth of Nations* (1776) – represented the last systematic attempt to ground economic analysis in an explicit theory of moral sentiments and justice. For Smith, the market was not morally neutral: it was an expression of the natural system of liberty, intelligible within a broader philosophical anthropology.

Karl Polanyi identified the decisive rupture in *The Great Transformation* (1944): the nineteenth century produced what Polanyi called the *disembedding* of the economy from its moral and social matrix (Polanyi, 1944, pp. 71-89). The market economy was no longer understood as one institution among others, governed by principles of justice and embedded in social relations: it was reconstituted as an autonomous domain governed by its own laws, immune to moral evaluation. The marginalist revolution of the 1870s completed this disembedding theoretically: economics was mathematized on the model of Newtonian mechanics, and the question 'what is just?' was replaced by the question 'what is efficient?'. As Alasdair MacIntyre diagnosed in *After Virtue* (1981), the modern separation of economics from moral philosophy was not a neutral theoretical advance but a normative choice that systematically excluded the question of institutional legitimacy from the domain of economic inquiry (MacIntyre, 1981, pp. 227-237).

Keynes represents the culmination of this process. In the *General Theory* (1936), money is reduced to three purely instrumental functions: medium of exchange, store of value, and instrument of speculation. The moral question of monetary legitimacy does not arise, because legitimacy has been dissolved into effectiveness. Money is what the state declares money to be, and the criterion for evaluating monetary policy is macroeconomic performance, not the justice of the principles under which it operates. The demoralization of money that Juan de Mariana and the other masters of the School of Salamanca had identified as a political pathology reached its theoretical culmination in the Keynesian framework: what was once larceny became monetary policy.

The inverse relationship between this theoretical demoralization and the expansion of state monetary planning is not coincidental. As the moral constraints on monetary issuance were progressively abandoned – first by eliminating the gold standard, then by establishing central bank monopolies, then by removing the last vestiges of convertibility in 1971 – the zone of state discretion over the monetary unit expanded correspondingly. Kant's concept of *Selbständigkeit* (MS, AA 6:314) provides the precise measure of what is lost in this expansion: to the degree that the state controls the monetary unit, the individual citizen is progressively reduced to the condition of the *passiver Staatsbürger* whose material subsistence depends on another's discretionary will. The planning of money is the planning of the horizon of individual self-determination.

### **G) The Political Economy of Inflation: From Azpilcueta to Huerta de Soto**

The philosophical argument finds its empirical specification in the Austrian tradition of monetary theory, which originated in precisely the same intellectual context as the School of Salamanca: the analysis of monetary debasement in sixteenth-century Castile. Martín de Azpilcueta formulated the quantity theory of money systematically (Azpilcueta, 1965 [1556], p. 74). Richard Cantillon formalized

the redistribution mechanism: new money raises first the prices of sectors closest to the point of injection. The first recipients – the state and banks – spend when prices have not yet risen. The last recipients – wage-earners and small savers – receive it when prices have already risen. The redistribution is systematic, predictable, and invisible.

Ludwig von Mises carried this argument to its most philosophically significant conclusion with the impossibility theorem: rational economic calculation requires prices, and prices are the condensation of the dispersed, tacit, and continuously changing knowledge of millions of individual agents (Mises, 2008 [1949], pp. 698-715). A central planner who substitutes his own judgments for the price mechanism destroys the informational basis of rational calculation. Hayek extended this in 1945: the price system is the most powerful mechanism humanity has developed for communicating dispersed knowledge without any central authority needing to possess or process it (Hayek, 1945, pp. 519-520).

Jesús Huerta de Soto has provided the most comprehensive contemporary reconstruction of this argument, integrating the impossibility theorem with a systematic theory of the business cycle generated by bank credit expansion (Huerta de Soto, 2006, pp. 269-342). Huerta de Soto's central contribution is the distinction between voluntary saving and credit expansion without prior saving: the former represents genuine intertemporal resource allocation by rational agents who defer present consumption in favor of future production. The latter is an artificial expansion of the monetary supply that creates the illusion of genuine saving without its substance. The monetary monopoly that produces credit expansion without prior saving does not merely redistribute resources: it systematically distorts the price signals through which rational intertemporal planning is possible. This is the economic specification of what Kant's concept of *Selbständigkeit* requires: the monetary independence without which the civic dimension of rational agency cannot be exercised.

### 3. Analytical Results

#### A) Fiat Money as Institutionalized *Unmündigkeit* and Destroyed *Selbständigkeit*

The mechanism through which the monetary monopoly produces *Unmündigkeit* in the Kantian sense can now be described with full precision. The central bank fulfills exactly the function of the guardian Kant described: „Der Vormund übernimmt die Mühe, für sie zu denken“ (Kant, 1784, WA, AA 8:35). But it does so not through ideological censorship but through the technical opacity of its operations. The state has nationalized not only the issuance of money but the very conceptual framework through which its citizens interpret the effects of monetary policy. The technical vocabulary of central banking – *inflation targeting, quantitative easing, forward guidance* – functions not to enable citizen understanding but to place monetary policy beyond the reach of meaningful democratic contestation.

Legal tender legislation is the juridical instrument by which the state converts fiat money from a voluntary medium into a compulsory one. In the United States, 31 U.S.C. § 5103 establishes that federal coins and notes are legal tender for all debts. In the European Union, Article 128 of the Treaty on the Functioning of the European Union establishes the euro as the exclusive legal tender. This compulsion is what transforms the mere emission of fiat money into *Unmündigkeit* in the Kantian-juridical sense: the citizen is denied the option of exercising her own judgment in the selection of the monetary instrument that mediates her rational planning. The guardian has not merely offered his services: he has made them compulsory.

The destruction of *Selbständigkeit* operates through a mechanism that the Kantian framework can analyze with greater precision than any economic theory. The citizen who plans intertemporally – who saves for retirement, who denominalizes obligations in the monetary unit, who contracts long-term liabilities – projects her rational will into the future. This temporal projection is the specific form of intelligible possession that the *Rechtslehre* protects. Inflation erodes this projection not merely

economically but juridically: it alters the terms of the intelligible possession without contract, without consent, and without any mechanism by which the citizen can challenge the alteration before a tribunal. This is not an accidental deficiency that could be remedied by better monetary policy. It is a structural feature of the monetary monopoly itself: the monopolist who controls the unit of account has an irreducible incentive to alter that unit in ways that transfer real resources from the holders of monetary obligations to the issuer.

### **B) The Triple Violation of the Categorical Imperative and the *Rechtslehre***

The monetary monopoly violates Kant's practical philosophy at three distinct and reinforcing levels. At the level of the Formula of Universal Law (Kant, 1785, GMS, AA 4:421), the maxim 'I will unilaterally alter the monetary unit whenever my fiscal requirements demand it' cannot be universalized without destroying the institution of the monetary contract – the *Widerspruch in der Konzeption* in its strict sense: the maxim cannot be universalized because its universalization destroys the very institution on which its own operation depends. No rational agent could denominate any obligation in a unit whose value is subject to unilateral revision by the party with the greatest interest in that revision.

At the level of the Formula of Humanity (Kant, 1785, GMS, AA 4:429), the operating principle of the monetary monopoly is precisely what Mariana identified as larceny: the sovereign's unilateral will alters the conditions of exchange without the consent of those who endure it. The *lex iniusta* of Salamantine scholasticism and the Formula of Humanity are formally equivalent: both identify as illegitimate any institutional principle that operates over those affected without their being able to recognize it as valid. Kleingeld has confirmed that this form of violation falls under the Formula of Humanity because the agent's maxim does not include the real consent of the affected party as a limiting condition (Kleingeld, 2024, p. 165), and Sensen has added that structural harms on those who cannot recognize the institutional principle as valid fall equally under that formula (Sensen, 2024, p. 156).

Höffe's categorical reading of the *Rechtslehre* sharpens the juridical condemnation (Höffe, 1990, pp. 74-89). The state that issues new money, reducing the value of the money citizens hold, destroys the will projected in that paper without the citizen's consent and without a juridical act the citizen can challenge before any tribunal. It acts against the intelligible possession it is constitutively charged to protect, operating without the universality of principle that would make its action legitimate as a *Rechtsstaat* rather than as a mere *Gewalthaber*. The condemnation is categorical: not merely suboptimal but incompatible with the categorical requirements of the *Rechtslehre* that admit no suspension by appeal to macroeconomic necessity, because they fall under the domain of perfect duties of right, not of imperfect duties of virtue.

### **C) The Impossibility of Calculation and Epistemic Servitude**

The Mises theorem provides the epistemological specification of the Kantian moral argument. The price system is the economic form of *Mündigkeit* in the domain of voluntary exchange: the information through which the individual can act on his own knowledge and pursue his own ends without another's guidance. Inflation destroys this mechanism at its root (Mises, 2008 [1949], pp. 698-715). When the monetary unit depreciates, price signals become noise. The entrepreneur who reads rising prices as a signal of genuine opportunity and invests accordingly is deceived not by any agent intending to deceive, but by the systemic distortion that monetary expansion introduces into the price structure (Hayek, 1945, pp. 519-520).

Huerta de Soto's analysis of the business cycle specifies the intertemporal dimension with greater precision (Huerta de Soto, 2006, pp. 269-342). Credit expansion without prior saving produces artificially low interest rates that induce entrepreneurs to undertake investment projects that the genuine intertemporal preferences of savers do not support. When the monetary expansion ends, the

malinvestments become apparent and the cycle of crisis begins. The citizens who planned their economic lives on the basis of price signals adulterated by credit expansion have exercised what Kant would call *fremde Vernunft* – alien reason – mediated through the distorting lens of the monetary monopoly, and thereby denied the *Selbständigkeit* that civic participation requires (Kant, 1797, MS, AA 6:314).

The Keynesian response completes the circle of servitude that Adorno diagnosed (Adorno, 1970). When monetary expansion produces resource misallocations, Keynesian theory recommends that the state compensate the resulting instability through fiscal stimulus and interest rate management. In each step, the zone of genuine rational self-determination contracts and the zone of tutelary management expands. The central bank first corrupts the price signals through which the citizen would exercise his own understanding, then intervenes to correct the misallocations that result from that corruption, and presents both operations as care: the structure of the guardian who produces the incapacity that justifies his own existence.

## 4. Discussion

### A) The Structural Convergence of Three Traditions

The foregoing results permit articulating a philosophical conclusion that the existing literature has not yet formulated. The School of Salamanca, Kantian practical philosophy (including the German Kantian tradition of Höffe, Kersting, and Siep), and the Austrian tradition of monetary theory (Mises, Hayek, Huerta de Soto) identified, from distinct starting points and across several centuries, the same structural problem: the political production of rational incapacity through monetary manipulation. All three traditions argue that this production is illegitimate not because it produces inefficient consequences but because it violates the conditions under which persons can exercise their rational capacity for self-governance. The *Religionsschrift* (Kant, 1793, RGV, AA 6:6) provides the philosophical grounding for this convergence: different traditions tracking the same practical necessity will converge in their institutional conclusions even when their foundational frameworks differ.

The right of resistance that Mariana articulated against royal monetary debasement anticipated, in the vocabulary of scholastic natural law, what Kant restated in terms of the public use of reason:

„*Sapere aude! Habe Mut, dich deines eigenen Verstandes zu bedienen!*“ (Kant, 1784, WA, AA 8:35)

But the Adornian reservation must be kept in view: Adorno would say that the institutional production of *Unmündigkeit* is not a deviation from modernity but its structural achievement, and that Kant's formalism cannot capture the mode in which reason itself becomes an instrument of domination. We retain the Kantian framework not naively but with the awareness that its categorical requirements provide the most precise available measure of institutional illegitimacy, independent of any substantive theory of the good.

### B) The Historical Paroxysm: Latin America and the Wages of Demoralization

The philosophical argument of this article is not merely theoretical. The demoralization of money – its reduction from a morally constrained institution to a purely instrumental tool of state management – has a historical paroxysm that is visible with painful clarity in Latin America during the twentieth century. Practically every major economy in the region suffered, between the 1970s and the 1990s, at least one acute monetary crisis of the kind that Mariana predicted and that Kant's categories condemn. Bolivia reached an annual inflation rate of approximately 11,750 percent in 1985. Argentina experienced hyperinflation of approximately 3,080 percent in 1989. Peru reached 7,649 percent in 1990. Brazil, despite multiple currency changes, accumulated rates exceeding 2,400 percent per annum in the early 1990s before the Plano Real of 1994. Nicaragua sustained hyperinflationary conditions throughout the

late 1980s with rates exceeding 33,000 percent at their peak. These are not anomalies: they are the predictable consequence of operating monetary institutions without the moral constraints that both the Salamantine tradition and Kant's *Rechtslehre* identify as necessary conditions of legitimacy.

Each of these episodes confirms, in macroeconomic form, the philosophical argument of this article. When the moral constraints on monetary issuance are abandoned – when the sovereign's discretionary power over the currency is no longer bound by the requirements of either natural law or practical reason – the result is precisely what Mariana predicted: the systematic expropriation of the population's real wealth through the debasement of the monetary unit. The hyperinflationary episodes of twentieth-century Latin America are, in philosophical terms, Mariana's larceny conducted at industrial scale – *lex iniusta* not as an isolated act of royal caprice but as sustained state policy. And their Kantian dimension is equally clear: the citizens of countries undergoing hyperinflation are reduced to the condition of the *passiver Staatsbürger* in the most literal sense – their ability to plan intertemporally is destroyed, their *Selbständigkeit* is annihilated by the inflation that makes saving impossible, and their political participation is formally sustained while their material conditions of civic agency are structurally undermined (Kant, 1797, MS, AA 6:314).

The Latin American experience also confirms Huerta de Soto's specification of the cycle: credit expansion without prior saving generates the investment booms and subsequent crises that characterized the debt-led growth models of the 1970s, followed by the structural adjustment programs of the 1980s (Huerta de Soto, 2006, pp. 269-342). In each case, the monetary illusion – the false price signals generated by credit expansion – induced investment decisions that the genuine intertemporal preferences of the population did not support, and the crisis destroyed the *Selbständigkeit* of those who had planned their economic lives on the basis of adulterated price signals. This is the economic specification of *fremde Vernunft* in Kant's sense: reason that presents itself as one's own but that is in fact the expression of the monetary authority's discretionary will.

### C) Three Conditions of Monetary Legitimacy

The three necessary conditions of monetary legitimacy that follow from this framework are readable in both Kantian and Salamantine terms. The first condition is *formal transparency*: the principle under which the monetary system operates must be publicly knowable by all those affected. In Kantian terms, this is the condition of universalizability (Kant, 1785, GMS, AA 4:421). In Kersting's terms, it is the condition of *wohlgeordnete Freiheit*: institutional arrangements that preserve the external conditions of rational self-determination (Kersting, 1984, pp. 131-165). In Salamantine terms, monetary authority must be exercised on behalf of the people, not for the prince's benefit at the people's expense.

The second condition is *non-discretionary non-manipulability*: the rules of monetary issuance must not be unilaterally alterable by any particular political will. O'Neill formulates this as the requirement of legitimate authority: to operate under principles genuinely accessible to all those subject to it (O'Neill, 2015, p. 67). Mariana formulated it as the prohibition of altering the law of the currency without the consent of the Cortes (Mariana, 1987 [1609], p. 581).

The third condition is *non-silent expropriation*: the monetary system must not produce redistributions of intelligible possession that those affected cannot know or challenge. The *Rechtslehre* formulates this as the demand that every operation on intelligible possession pass through the contract mechanism (Kant, 1797, MS, AA 6:271), and Siep's analysis of the provisional-peremptory distinction confirms that the state acts as a *Gewalthaber* rather than a *Rechtsstaat* when it operates against the intelligible possession it is charged to protect (Siep, 1992, pp. 259-281). Hayek's program of monetary denationalization satisfies in principle all three conditions (Hayek, 1978, p. 29), and Huerta de Soto's reconstruction confirms the epistemological basis on which this satisfaction rests (Huerta de Soto, 2006, pp. 269-342).

## D) An Objection Considered

A possible objection is that this argument conflates philosophical analysis with libertarian political advocacy. The distinction must be drawn clearly. The argument does not rest on the inviolability of historically acquired property rights – the characteristic move of political libertarianism – but on the formal conditions of rational autonomy as established by practical reason itself. Höffe's reading of the *Rechtslehre* makes this clear: the categorical condemnation of institutions that operate on intelligible possession without contract is a requirement of juridical reason, not a consequence of any particular theory of property rights (Höffe, 1990, pp. 74-89). A monetary system governed by transparent, non-manipulable, and non-expropriatory rules would satisfy the Kantian conditions even if it involved some degree of collective management. The argument is formal, not substantive: it concerns the structure of legitimate authority, not its content.

## 5. Conclusions

The argument of this article establishes a philosophical connection that the existing literature has not yet articulated. The School of Salamanca, Kantian practical philosophy, the German Kantian tradition (Höffe, Kersting, Siep, Henrich, Adorno), and the Austrian tradition of monetary theory (Mises, Hayek, Huerta de Soto) identify, from distinct starting points, the same structural problem: the political production of rational incapacity through monetary manipulation. State-issued fiat money is larceny in the sense of Mariana and institutional *Unmündigkeit* in the sense of Kant – not merely in the epistemic sense of the 1784 essay but in the civic-political sense established in the *Rechtslehre* through the concept of *Selbständigkeit* (MS, AA 6:314). The two verdicts converge because they are generated by the same underlying philosophical structure, confirmed by the *Religionsschrift*'s demonstration that natural-law and rational-law traditions track the same practical necessity under different descriptions.

The extension of the *Rechtslehre* to the temporal dimension of intelligible possession represents a contribution to Kantian legal philosophy that Ripstein (2009) and Flikschuh (2000) did not pursue. Ludwig's critical edition of the *Rechtslehre* established that the will projects itself temporally as well as spatially (Ludwig, 1988, pp. 47-63), and Siep's analysis of the provisional-peremptory distinction shows that the state can act as a *Gewalthaber* against the intelligible possession it is charged to protect when it operates without universality of principle (Siep, 1992, pp. 259-281). The citizen whose monetary savings are systematically eroded by inflation loses the intertemporal extension of her rational will: the monetary monopoly operates on intelligible possession in its specifically temporal dimension, without any contract, without any consent. This is a violation of the *Rechtslehre* – „*Der Vertrag ist die Handlung der vereinigten Willkür zweier Personen, wodurch überhaupt das Seine des einen auf den andern übergeht*“ (Kant, 1797, MS, AA 6:271) – that cannot be remedied by any appeal to macroeconomic necessity, exactly as no consequentialist argument can justify treating a person merely as a means.

The connection between the Misesian impossibility theorem, Huerta de Soto's theory of credit expansion, and the Kantian argument for *Mündigkeit* reveals that monetary reform is a condition of the Enlightenment project itself. Henrich's analysis of the *Faktum der Vernunft* (Henrich, 1963) establishes that this requirement is a priori: it does not depend on whether citizens happen to understand the economics of inflation but is grounded in the structure of practical reason itself. The Enlightenment's central demand – „*Sapere aude! Habe Mut, dich deines eigenen Verstandes zu bedienen!*“ (Kant, 1784, WA, AA 8:35) – is institutionally vacuous if the informational infrastructure through which citizens exercise their own understanding in the domain of their economic plans is systematically corrupted by the political authority that claims to serve them. The price system is the economic form of *Mündigkeit*. Its corruption through monetary expansion is a political failure of the deepest kind. The three conditions of monetary legitimacy derived here – formal transparency, non-discretionary non-manipulability, and non-silent expropriation – express what it means to govern rational beings as rational beings: in

the language of Kant, to treat them never merely as means and to preserve the *Selbständigkeit* that civic participation requires – in the language of the School of Salamanca, to exercise over them only the power that the common good entrusts.

## References

- [1] Adorno, T. W. (1970). *Erziehung zur Mündigkeit*. Frankfurt am Main: Suhrkamp.
- [2] Azpilcueta, M. de (1965). *Comentario resolutorio de cambios* (Original work published 1556). Madrid: CSIC.
- [3] Flikschuh, K. (2000). *Kant and modern political philosophy*. Cambridge: Cambridge University Press.
- [4] Hayek, F. A. von (1945). The use of knowledge in society. *American Economic Review*, 35(4), 519-530.
- [5] Hayek, F. A. von (1978). *Denationalisation of money: The argument refined* (2nd ed.). London: Institute of Economic Affairs.
- [6] Henrich, D. (1963). Der Begriff der sittlichen Einsicht und Kants Lehre vom Faktum der Vernunft. In G. Prauss (Ed.), *Kant: Zur Deutung seiner Theorie von Erkennen und Handeln* (pp. 223-254). Köln: Kiepenheuer & Witsch.
- [7] Hill, T. E. Jr. (2020). *Dignity and practical reason in Kant's moral theory* (Original work published 1992). Ithaca: Cornell University Press.
- [8] Hobbes, T. (1996). *Leviathan* (R. Tuck, Ed.; Original work published 1651). Cambridge: Cambridge University Press.
- [9] Höffe, O. (1990). *Kategorische Rechtsprinzipien: Ein Kontrapunkt der Moderne*. Frankfurt am Main: Suhrkamp.
- [10] Huerta de Soto, J. (2006). *Money, bank credit, and economic cycles* (M. A. Stroup, Trans.; Original work published 1998). Auburn: Ludwig von Mises Institute.
- [11] Kant, I. (1784). Beantwortung der Frage: Was ist Aufklärung? *Berlinische Monatsschrift*, 4, 481-494. [Akademie-Ausgabe, AA 8:33-42. Berlin: G. Reimer]
- [12] Kant, I. (1785). *Grundlegung zur Metaphysik der Sitten*. Riga: J. F. Hartknoch. [Akademie-Ausgabe, AA 4:385-463. Berlin: G. Reimer]
- [13] Kant, I. (1793). *Die Religion innerhalb der Grenzen der bloßen Vernunft*. Königsberg: Friedrich Nicolovius. [Akademie-Ausgabe, AA 6:1-202. Berlin: G. Reimer]
- [14] Kant, I. (1797). *Die Metaphysik der Sitten*. Königsberg: Friedrich Nicolovius. [Akademie-Ausgabe, AA 6:203-493. Berlin: G. Reimer]
- [15] Kersting, W. (1984). *Wohlgeordnete Freiheit: Immanuel Kants Rechts- und Staatsphilosophie*. Berlin: De Gruyter.
- [16] Kleingeld, P. (2024). Agents, actions, and mere means: A reply to critics. *Zeitschrift für Ethik und Moralphilosophie*, 7(1), 165-181.
- [17] Korsgaard, C. M. (1996). *Creating the kingdom of ends*. Cambridge: Cambridge University Press.
- [18] Ludwig, B. (1988). *Kants Rechtslehre: Mit einer Untersuchung zur Drucklegung Kantischer Schriften*. Hamburg: Felix Meiner Verlag.
- [19] Mariana, J. de (1987). De monetæ mutatione. In *Obras del padre Juan de Mariana* (Vol. II, pp. 576-593; Original work published 1609). Madrid: Atlas.
- [20] Mauss, M. (1990). *The gift* (I. Cunnison, Trans.; Original work published 1925). London: Cohen & West.

- [21] Mises, L. von (2008). *Human action: A treatise on economics* (Original work published 1949). Auburn: Ludwig von Mises Institute.
- [22] O'Neill, O. (1989). *Constructions of reason: Explorations of Kant's practical philosophy*. Cambridge: Cambridge University Press.
- [23] O'Neill, O. (2015). *Constructing authorities: Reason, politics, and interpretation in Kant's philosophy*. Cambridge: Cambridge University Press.
- [24] Ripstein, A. (2009). *Force and freedom: Kant's legal and political philosophy*. Cambridge, MA: Harvard University Press.
- [25] Sensen, O. (2024). Respect and using others merely as means. *Zeitschrift für Ethik und Moralphilosophie*, 7(1), 155-164.
- [26] Siep, L. (1992). Recht, Moralität und Sittlichkeit bei Kant und Hegel. In D. Henrich & R.-P. Horstmann (Eds.), *Hegels Philosophie des Rechts* (pp. 259-281). Stuttgart: Klett-Cotta.
- [27] Simmel, G. (2004). *The philosophy of money* (T. Bottomore & D. Frisby, Trans.; Original work published 1900). London: Routledge.
- [28] Soto, D. de (1968). *De Iustitia et Iure libri decem* (2 vols.; Original work published 1556). Madrid: Instituto de Estudios Políticos.
- [29] Vitoria, F. de (1960). De potestate civili. In *Obras de Francisco de Vitoria: Relecciones teológicas* (pp. 150-220; Original work published 1528). Madrid: BAC.
- [30] Wood, A. W. (1999). *Kant's ethical thought*. Cambridge: Cambridge University Press.
- [31] MacIntyre, A. (1981). *After virtue: A study in moral theory*. Notre Dame: University of Notre Dame Press.
- [32] Polanyi, K. (1944). *The great transformation: The political and economic origins of our time*. New York: Farrar & Rinehart.
- [33] Smith, A. (1976a). *The theory of moral sentiments* (D. D. Raphael & A. L. Macfie, Eds.; Original work published 1759). Oxford: Clarendon Press.
- [34] Smith, A. (1976b). *An inquiry into the nature and causes of the wealth of nations* (R. H. Campbell & A. S. Skinner, Eds.; Original work published 1776). Oxford: Clarendon Press.