

Chapter 1: From Renaissance to Early Enlightenment

I. Setting the Stage: A Short History of the Loss and Recovery of Greek and Roman Philosophy

Athens at the time of Aristotle was an unusually tolerant, creative, and prosperous place. It was also the one of the leading city states of that period, a naval power. It lost both its power and independence late in Aristotle's life. Macedonia conquered Greece and a century and a half later, the Romans conquered Macedonia. Greece remained under Roman administration for many centuries, but it remained a center of learning for much of that period. Many Roman leaders, for example, sent their children to Athenian schools. Aristotle's own school, the Lyceum survived for nearly two centuries.

Aristotle's writings were initially housed in the Lyceum's library and subsequently parts were shifted to the other libraries in Rome and Macedonian Egypt. After the Christianization of the Roman Empire and the collapse of the Western part in the late fifth century, interest in the writing of the Greek and Roman scholars largely disappeared from Western Europe for nearly a thousand years.¹

This was partly because of the end of the Western Roman empire. Its collapse ended a large (relatively) free trade zone with a common legal system that tended to increase economic output

throughout the Roman empire. The ensuing patch work of governments and wars in the West reduced trade flows, specialization, output, and income. The consequent decline in real incomes would tend to reduce the demand for all sorts of goods and services, including those of philosophers and educators.

It was also partly because Christian theology during this time tended to focus on the after life, spiritual development, and faith, rather than human development, reason, and life on earth. Its scholars addressed ethical issues, but with a focus on textual interpretation, rituals, and prayer, which naturally reduced interest in Greek and Roman scholarship. Christian emphasis on the after life also tended to redirect time and energy away from market activities towards religious activities, both among devout believers and those wishing to appear devout. Christian theology promoted prayer and good works for the Church, rather than active private lives or commerce.

The result, in combination with the collapse of international and inter-regional trade, was less commerce and lower standard of living for most, what later was often referred to as the dark age.² Such economic effects would not have concerned those advocating a religious life, because their aim was spiritual rather than material, salvation orientated rather than life-on-earth oriented. Appropriate ethical and economic practices were grounded in divine biblical texts, rather than reason, although interpretations and applications continued to occupy both scholars and Catholic courts, where facts as well as faith mattered.³

Western copies of classical Greek and Roman manuscripts were not destroyed, but retired to the little used archives of monastery

¹ The collapse was actually of the Western part of the empire that governed most of modern day Europe, south of the Rhine river. The eastern part, based in modern day Istanbul (then called Byzantium, and subsequently Constantinople, and Istanbul) continued on until 1453.

² Maddison's (2007) rough estimates of per capita GDP in the year 1 and 1000 ad are consistent with this, 576 and 427 respectively.

³ For an accessible overview of medieval Christian philosophy and the classics see:
<http://plato.stanford.edu/entries/medieval-philosophy/>.

libraries in Western Europe. Indeed the spread of monasteries throughout Europe, the middle east, and northern Africa provided a robust form of “knowledge storage” that could be used when interests shifted to a more secular or life-on-earth oriented perspective. Latin remained the main language of literate persons and scholars in the West, and was the language used for formal church rituals.

Classical Greek and Roman scholarship continued to be of interest in the Eastern Roman Empire (sometimes called the Byzantine Empire) and subsequently in the Muslim empires of North Africa, where trade continued much as before the disintegration of the Western Roman Empire.



II. Rebirth of Interest in the Classics: The Renaissance

Around 1200, the West began to rediscover the ancient scholars, partly because of the Crusades, which brought Western Europe in closer contact with what remained of the Roman empire and Greek thought in Constantinople (Byzantium). Translations into Latin were undertaken from Greek sources in Constantinople and also from Islamic sources in Toledo Spain, which at the time was an important center of Islamic and classical study.⁴ Latin was still the language of educated persons in Europe, which created a broad readership for new Latin translations.

The rediscovery of Aristotle and other Greek scholars occurred at approximately the same time that new Universities were being founded throughout Europe. These were places of scholarship and teaching focused for the most part on educating priests and lawyers. It may well be the case that renewed interest in classic Greek and Roman scholarship induced the new centers of learning to adopt a broader scope of study than imagined by their founders.

Universities were established in Bologna, Italy in about 1088, Paris, France and Oxford, England in about 1170, Cambridge, England in about 1200, Heidelberg, Germany [Palatinate] in about 1386, and in several other less famous places during the same period. A subset of university scholars (who were normally Catholic monks or priests) took an interest in knowledge for its own sake, without regard to whether it increased prospects for salvation or advanced practical legal or military skills. Much of the new scholarship attempted to enrich medieval theories by taking account of the work of classical scholars. This process in turn created its own issues and

⁴ The European boundaries of the Byzantium empire and subsequent Arab empires extended from somewhat east of present day Turkey along the southern Mediterranean coast through Spain. Between the Seventh and tenth centuries this territory became largely Muslim, rather than Catholic. Jews and Christians continued living in these territories, but paid a special tax. Spanish kings gradually pushed the Moslems out of present-day Spain (the Iberian peninsula), conquering it all of it by approximately 1492. The territory's new Catholic rulers adopted laws that forced conversion or emigration by Jews and Moslems, and rather than convert, Jewish scholars migrated to Italy and Byzantium, taking many of their books and notes with them.

lead to significant extensions of ethical, economic, political, and astronomical theories.

The rediscovery of Aristotle was especially important. He was the most studied secular scholar in this period, because of his breadth and depth, although universities were still mainly focused on Christian theology and legal training, and remained so for hundreds of years. Thomas Aquinas (1225-74), a influential Catholic scholar from that period, referred to Aristotle as simply “the philosopher.” Others referred to him as “the teacher” as was often the case among Moslem scholars. Aristotle’s work on logic, science, and ethics were carefully studied and discussed. This was evident both in classroom curricula and new scholarship.⁵

During the Renaissance, tolerance somewhat increased, and a wider range of arguments and methods of disseminating them became legal, or at least less actively prosecuted throughout much of Europe. Toward the end of this period, movable type printing was introduced to Europe by Gutenberg (circa 1450), which greatly facilitated the dissemination of Aristotle and other authors by reducing copying costs. Subsequent improvements in printing, paper, and binding technologies allowed books to be printed at even lower cost.

The effect of the Renaissance can be easily observed in museum art collections. If one walks through a European or North American national art museum with collections that reach back into the twelfth century, one can see that statues and paintings of men and woman in non-religious settings become more commonplace as one looks over exhibits from 1200 to 1600. Before 1400, there is essentially only “flat” religious art. After 1400, religious art gradually becomes less commonplace, as paintings of aristocrats and ordinary people in both

classical and common settings become the norm--at least for paintings and sculptures of museum quality.

That shift suggests that those purchasing art, and perhaps the artists themselves, had become relatively more concerned with life on earth and classical literature, and somewhat less focused on religion or pleasing the Church, although both clearly remained important.

III. Three Great Shocks between 1450 and 1600 undermine the Medieval World View

After 1450, the medieval order in Europe with its dominant Catholic church, its relatively small “duchies” and city states ruled by hereditary aristocrats and kings, and its associated views of miracles, science, ethics, and the afterlife, were substantially revised or replaced. Several grounding principles of medieval society were challenged and many were completely overturned.

A. Discovery of the New World

In 1492, Columbus discovered formerly unknown lands and peoples. His voyage and the ones that followed implied that medieval geography and it’s associated history of mankind were incorrect. Both the earth and human society were larger than previously believed. New places, peoples, plants, and animals were added to Europe’s knowledge base. Existing theories and histories had to be adjusted to take account of the new facts.

There were clearly many things previously unknown. Acknowledging this great geographical lacuna thus undermined the meditative and scholastic approaches to knowledge. What might be called the sophisticated armchair approach to understanding the physical world was clearly inadequate. Exploration and experiment

⁵ In some places, as at the University of Paris, some parts of Aristotle’s work was banned from university lecture halls because the conflicted with Christian doctrines of that time, although that censorship lasted only a half century or so. See ch. 5 of <http://plato.stanford.edu/entries/medieval-philosophy/>

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could reveal facts about the world that were unknown to even the most profound scholars and most extensive ancient texts.

B. The Protestant Reformation

At roughly the same time, an increasing number of religious scholars began criticizing several of the theological rituals and doctrines of the Catholic Church. Martin Luther (1483-1546) and John Calvin (1509-1564) were the most influential of the Church's many critics. Their ideas helped motivate a great reform movement among Catholics in the sixteenth century.

These and other protesters were supported and protected by local rulers, who prevented many, including both Luther and Calvin, from being tried and punished for heresy. Local rulers in Germany and Switzerland were clearly somewhat interested in religious doctrines, but also in the political implications of the Protestant movement. They anticipated that a more decentralized church would indirectly advance their efforts to resist centralization by the Habsburg government of the Holy Roman Empire and by the Church itself.⁶ Their protection of proponents of revised Christian doctrines, together with the persuasiveness of the doctrines, produced the Protestant Reformation.

Several new Lutheran and Calvinist religious societies were founded that were entirely independent of the Church hierarchy of Rome. The new Christian sects were based on a narrower reading of the bible and placed greater emphasis on predestination and rebirth than Catholic doctrine had. Among the new religious societies were

precursors to the contemporary Lutheran, Reformed, Presbyterian, Congregational, Baptist, and Methodist churches. No longer was there a single unified organization and theology whose claims of universality and accuracy would be taken for granted by Christians.

Max Weber, writing three and half centuries later, argued that several elements of Protestant theology encouraged new outlooks on life and work that made it possible for capitalism and the commercial society to emerge.⁷

Weber argued that early Protestant emphasis on predestination tends to make people more career oriented than Catholic theology did. Under Calvinist predestination doctrine, it was not good works for the Church that mattered, but God's long-standing decisions about a person's salvation--which one could not influence by personal behavior. Whether one was "elected" or not, however, could be deduced by how people behaved and their success in life. From this perspective, success in one's earthly career did not conflict with the goal of salvation, rather it provided evidence of God's favor and the likelihood of having been chosen for elevation (for an afterlife). This naturally encouraged people to work hard in their daily lives and to adopt prudent lifestyles.

C. The Copernican Revolution

At about the same time that the Protestant Reformation was gaining ground, an innovative theory about man's place in the physical universe itself was worked out by Copernicus. In 1543, Copernicus published a book in which he proposed an astronomy in

⁶ The emperor of the Holy Roman Empire was an office of relatively little authority at that time, but substantial influence. It had been held by leaders of the Habsburg family for many years, who were the most important family in the German realm, and arguably the most important in Europe in the sixteenth century, during which time the family ruled Spain and its territories as well as Austria and many other territories in Europe. They had constantly tried to reduce the autonomy of other noble families, and they not been entirely unsuccessful. (The German subset of the Holy Roman Empire is sometimes referred to as the first Reich.)

⁷ See Weber (1905), *the Protestant Ethic and the Spirit of Capitalism*. Several of the authors used in this and the next chapters were used by Weber to illustrate the shift in ethics and norms in favor of commercial life.

which the Earth circled the sun rather than the sun circling the earth, as had long been accepted. The new theory was consistent with hundreds of years of astronomical observation and provided a somewhat simpler explanation for the motions of stars, planets, and the sun than alternative theories available at that time. His book, *The Revolutions*, was relatively little read, but gradually rose to prominence in the next half century, after which it was banned by the church (in 1616), as were many other books including some parts of Aristotle's work.

Thomas Kuhn (1957, 1962) argues that the heliocentric astronomy introduced by Copernicus helped launch the scientific revolution. New supporting data was provided by Galileo's astronomical research (1609), and orbits themselves were explained by Newton's (1687) theory of gravity, momentum, and physical interaction.⁸ The gradual increase in the precision of astronomical measurements and predictions associated with this shift in paradigms tended to raise aspirations (and norms) for precision in theory and measurement in other fields as well.

D. The Dutch Revolt

Later in the 16th century, and not entirely independent of the Protestant reformation and the discovery of the New World, there was a war of succession in the Netherlands that established a new country in 1576 without a hereditary monarch. The Dutch won a war of secession against the Habsburgs of Spain and established a republic, rather than a kingdom or duchy (partly by accident). The Dutch government had a decentralized federal structure with 7 sovereign provinces. The central government was an assembly of province representatives, rather than a hereditary king-noble based structure.

From the earliest days of the United Provinces of the Netherlands, there was freedom of religious conscience, although not always freedom of public worship. As a consequence it was a place where rival Protestant churches existed side by side. It was also a place where intellectuals from other countries in Europe would flee to escape censorship. The Netherlands attracted economic, intellectual, and religious emigrants from throughout Europe. Its relatively free trade and open markets and hard working residents allowed the Netherlands to become the wealthiest country in Europe (based on per capita income), within a few decades.

Its economic and political success, in turn, demonstrated that countries could succeed economically and politically without the traditional medieval template for governance and regulation. The medieval political-economic template with its family-based governance and monopoly privileges was not the only social system that could work well--which was to say, not the only God-given template for society. Other templates could work as well or better.

E. Long Term Consequences

Together, the four great shocks of the late fifteenth and sixteenth centuries had undermined the medieval order. However, it did not instantly collapse. Instead the shocks induced gradual transformations of ideas and institutions in Western Europe (and its colonies) that gradually replaced the medieval order with the modern one. The emergence of the commercial society is arguably one of the long term consequences of these shocks. Although it associated with the emergence of liberal democracy and the scientific-technological revolution, but not entirely caused by them. The remainder of part I of this book focuses on subtle shifts in ethics and similar norms that arguably were at least partly induced by those shocks. In more open societies, with fewer miracles and greater emphasis on reason,

⁸ Aristotle was one of the early proponents of the geocentric universe. So as the heliocentric theory replaced the long-standing geocentric one, a substantial part of Aristotle's physics was also over turned.

science, and life on earth, secular principles for ethics and other norms were of greater interest.

The remainder of this chapter and part I provide evidence that shifts in ethics during the seventeenth and eighteenth centuries tended to increase support for market activities. Both virtue and prospects for an afterlife could be enhanced through successful careers in commerce and science, rather than undermined by them. Such changes in ethics and similar norms tended to make broad trading networks and more roundabout methods of production easier to organize and less risky to participate in.

The description of the economic effects of shifts in ethical theories is largely intuitive in part I and secondary to the overviews of market relevant shifts in ethical theories undertaken. Economic intuition implies that any general shift in behavior that increases industry, trade, and innovation is likely to extend commerce. Rational choice based models are developed in part II to demonstrate that these intuitions have a basis in both game theory and microeconomics.

IV. Two Late Renaissance Perspectives on Work, Property, and Commerce

Changes in a person's private ethics and a society's informal norms are difficult to observe directly. Surveys and the like were not conducted in the period of interest in this chapter. What can be most readily observed are the arguments of widely read books and the social norms that are codified in laws and constitutions.

A. Desiderius Erasmus (1466-1536)

As a point of departure, consider these quotes from two widely read books from the early 1500s, Desiderius Erasmus' *Praise of Folly* and Thomas More's *Utopia*, two prominent Catholic writers and scholars in the early sixteenth century.⁹ Erasmus was a full time scholar, with contacts throughout Western Europe, including Pope Leo X, and several kings.¹⁰ Sir Thomas More was a lawyer by training and subsequently a member of parliament, diplomat, and advisor to Henry VIII.¹¹

What is relevant for the purposes of this book is not their career paths, class, or genius, but that a subset of their writings were widely

⁹ This chapter and Part I in general focuses on West European developments, rather than ones in the Moslem world or in Asia. During Europe's dark ages and early medieval periods, Constantinople, Alexandria, Cordoba, and cities in Asia such as Beijing and Tokyo were clearly more important and innovative places than any city in Western Europe. Nonetheless, the commercial society that emerged in the late nineteenth and early twentieth centuries were grounded in European ethical theories, science, and institutions, rather than those associated with such places.

¹⁰ The *Praise of Folly* was widely read and elicited significant reactions from many, but evidently not all, church authorities for its criticisms of medieval scholasticism, church wealth, and some of its ceremonies. Although, Erasmus maintained good relations with many prominent Catholic scholars and officials, opposed the reformation and many of Luther and Calvin's ideas, the *Praise of Folly* was termed "a cold-blooded, deliberate attempt to discredit the Church, and its satire and stinging comment on ecclesiastical conditions are not intended as a healing medicine but a deadly poison." by the author of the Erasmus entry in the Catholic (New Advent) Encyclopedia (1914).

¹¹ Thomas More's service to Henry VIII famously ended with his resignation in 1533 and beheading in 1535 for a charge of treason. More had opposed separation from the Catholic church, refused to accept Henry as the leader of the new church, and ultimately refused to take demanding oath of loyalty. For his opposition to the English church, writings, and sacrifice, he was beatified by the Catholic church some three hundred fifty years later (1886, canonized in 1935), and thus contemporary Catholics may refer to him as Saint Sir Thomas More.

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read throughout Western Europe, and so provide evidence of common beliefs concerning economic activities, wealth, and property among literate persons in the late Renaissance. Their books would not have been read unless they resonated with ideas already in the minds of their readers. Their views were not uncontroversial ones, but were among the more informed and thoughtful of that period.

They are both highly critical of commerce because it promotes excessive interest in money and attracts unethical people.¹²

But the most foolish and basest of all others are our merchants, to wit such as venture on everything be it never so dishonest, and manage it no better; who though **they lie by no allowance, swear and forswear, steal, cozen, and cheat, yet shuffle themselves into the first rank**, and all because they have gold rings on their fingers. Nor are they without their flattering friars that admire them and give them openly the title of honorable, in hopes, no doubt, to get some small snip of it themselves. (*The Praise of Folly*, KL 733-737).

This quote from Erasmus' *The Praise of Folly* (1511) suggests that the upward mobility sought by merchants is "foolish and base" and that the deference that churchmen provide wealthy merchants is inappropriate. This Erasmus quote suggests that a life in markets is improper, because of the means through which wealth is acquired (steal, cozen and cheat) and because trade itself is in some sense improper, because it is motivated by wealth and status.

B. Thomas More (1478-1535)

Thomas More's *Utopia* (1516) characterizes a good society, which bears a closer relationship to that described in Plato's *Republic* than to the one characterized in Aristotle's *Politics*. More goes beyond both in his support for an egalitarian society without markets or private property. Happiness remains the chief good, but it is achieved through contemplation rather than practical wisdom.¹³

The magistrates never engage the people in unnecessary labor, since the chief end of the constitution is to regulate labor by the necessities of the public, and **to allow the people as much time as is necessary for the improvement of their minds, in which they think the happiness of life consists.** (*Utopia*, p. 50).

Every city is divided into four equal parts, and in the middle of each there is a **marketplace. What is brought thither, and manufactured by the several families, is carried from thence to houses appointed for that purpose, in which all things of a sort are laid by themselves;** and thither every father goes, and **takes whatsoever he or his family stand in need of, without either paying for it or leaving anything in exchange.** (*Utopia*, p. 52).

There is no market-based exchange of money for goods in *Utopia*. Necessities are produced in relatively short 6 hour days and

¹² Excerpts are from the Radice translation of the 1532 version. *Praise of Folly and Letter to Maarten Van Dorp 1515*. New York: Penguin Press (1993). A digitized version (2012) is available from Amazon and is the version used here. *The Praise of Folly* was originally written in 1509, it is said, to amuse his good friend Thomas More after a trip to Rome.

¹³ Excerpts are from a digitized version of the 1901 edition of Thomas More's *Utopia* published by Cassell and Co. edited by David Price, which is available from Amazon.com.

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distributed according to needs, which are presumed to be simple, basic, and limited.

Utopia attempts to characterize an ideal society from the perspective of the late medieval period, rather than to suggest principles through which a good life may be lived by individuals and families. His characterization of the good society argues that common property was better than private, as Socrates had long before. Similar ideas about utopia are still among those advocated by political philosophers who today would be called communitarians or “the left.”¹⁴

For the purposes of this book, it is important to recognize that More’s utopian society required persons with particular internalized norms to function well. Individuals had to be willing to work hard without obvious return (no wages were paid as far as one can tell). They had to have only limited desires for material comforts and none for decoration, ostentation, or status. They had to seek contemplative self-improvements—whether spiritual or secular is unclear, but likely both. The residents also had to be willing to defer to the authority of elders and leaders of their communities, who determined much about their daily lives, more or less as the head of a monastery would organize the lives of resident novices, monks, and nuns.

As imagined, utopia was a comfortable world with benevolent leadership and regulation of life and production for use, rather than exchange. Utopia is essentially self-sufficient and trades little with the outside world. In many respects it is similar to Plato’s ideal republic, which was much criticized by Aristotle for its impracticality. There would be many free rider problems to be addressed in such a society. The internalized ethical dispositions of the leadership and the community’s residents would have to be strong enough to overcome these problems, or much more active management by the magistrates would be required than implied by More’s discussion.

It is evident that both Erasmus and More believe that work, honesty, and integrity are important. Their own hard work is evident in their careers as well as in their writings. They were both extraordinarily active men in their times. Both criticized mainstream institutions and behaviors that they thought non-virtuous or wasteful. However, neither thought that participation in commerce could be a genuinely useful or noble activity. In this they shared Aristotle’s concern that commerce was a dishonorable occupation. Farming (production) was necessary but only to a very limited extent ennobling.¹⁵

If Erasmus’ and More’s ideas about the ethics of commerce were true at the time that they wrote, trade would tend to be a

¹⁴ Prior to 1900 such persons were regarded as communalists or communists. The meaning of the word communism changed somewhat after the rise of the Soviet Union and the use of the word communism to describe its very regulated and regimented social system and geopolitical aspirations.

¹⁵ Towards the end of the *Nicomachean Ethics*, Aristotle makes an argument that is not entirely consistent with his remarks on practical wisdom and virtue, but which implies that More’s conception of the good life is compatible with his: “Happiness then is coextensive with this contemplative speculation. And, in proportion as people have the act of contemplation so far have they also the being happy, not incidentally, but in the way of Contemplative Speculation because it is in itself precious.” (*Nicomachean Ethics*, p. 277). He goes on to suggest that a contemplative life has the most potential for happiness. However, in many other places he notes that both resources and actions are necessary to develop most virtues, which implies that an active life is required to achieve virtuous dispositions. Perhaps the most consistent interpretation is that a good life includes substantial time for contemplation, although contemplation alone is insufficient to produce such a life.

relatively risky and unrewarding activity. When only the relatively unethical participate in markets, every trade and trading network is risky for both buyers and sellers. Promises are not kept, fraud and broken contracts would be commonplace, and the quality of goods and services difficult to know with any certainty. Only the largest and most obvious gains from comparative advantage and specialization would be realized in such a society. The result would be a society with relatively small and unproductive markets.

The latter, of course, would not be a concern to those who think that an ascetic communal life of religious and intellectual contemplation is the best one, as a proper monk or university professor from this period would have. For persons that regard material comforts to be part of a good life and the absence of poverty an important feature of a good society, life in More's utopia would be less than ideal, and utopia less than the good society.

V. The Early Enlightenment Perspective on Work, Property, and Markets

We now shift a century forward, to the 1600s, the time during which emphasis on secular reasoning, empirical evidence, and life on earth radically increased among influential writers. This period is often referred to as "the Enlightenment." It continued trends already present in the Renaissance and reaffirmed and extended many ideas from Aristotle. Again a small sample of remarks from serious, widely read works by influential persons is used to provide evidence about the ideas that captured the imagination of literate persons in this period. Scholarly books were still written in Latin during the first half of the century, although publishing in the natural languages of

Europe--Dutch, English, French, German, Italian, Spanish--was commonplace at the end of the seventeenth century.

Erasmus was a Dutchman writing before the Dutch republic was formed. We now turn to two Dutchmen writing a century later, after the republic was formed. In addition, we examine quotes from three Englishmen: William Baxter, Robert Barclay, and Thomas Locke, two theologians and one university scholar.

A. Hugo Grotius (1583-1645)

Hugo Grotius was trained as lawyer and scholar, and wrote his first book at the age of 16. He was successful within the Dutch politics of his day becoming an important legal official in Holland, mayor of Rotterdam, and subsequently Swedish ambassador to France. His books were less widely read than those of Erasmus and More, but also influential during his time and after, especially his *Mare Liberum* (1609, the *Free Sea*).

Mare Liberum was written in large part to support the claim that Dutch merchants should have free access to all trading partners on earth. It develops very general arguments in support of that claim. These include a theories of natural law, of private and common property, and of their relevance for international law and commerce--international law being the field in which Grotius' work is best known.¹⁶

Grotius' theory of natural law is grounded in a combination of moral intuition and reason. It is not grounded in religious texts, although he provides a supernatural basis for moral intuition. His interest is the law rather than ethics per se, but his arguments include

¹⁶ Grotius also participated in several of the religious debates of his time, but more as a legal scholar and official than a religious one. He suggested, for example, that different views about predestination could coexist, as with Luther and Erasmus. He was persecuted for those views and the view that the government should play a role in enforcing tolerance, but also for being associated with Oldenbarnevelt, who had opposed the stadthouder of that time (Willem II) on important matters of policy. Grotius is famous for escaping from prison in a large book chest and fleeing to Paris in 1621. It was in France where he completed his most famous works.

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several religious and moral justifications for commerce. His reasoning relies heavily on moral intuition in addition to legal history.¹⁷

And to this house or city built by him that great prince and householder **had written certain laws** of his, not in brass or tables, but **in the minds and senses of everyone**, where they shall offer themselves to be read of the unwilling and such as refuse. **By these laws both high and low are bound.** It is no more lawful for kings to transgress these than for the common people... (*The Free Sea*, p. 15).

But as in man himself **there are some things which are common with all, and other some whereby everyone is to be distinguished from other**, so of those things which nature had brought forth for the use of man she would that some of them should remain common and others through every one's labor and industry to become proper [private]. But **laws were set down for both**, that all surely might use common things without the damage of all and, for the rest, every man contented with his portion should abstain from another's. **If no one can be ignorant of these things, unless he cease to be a man ...** (*The Free Sea*, p. 15).

The sea therefore is in the number of those things which are not in merchandise and trading, that is to say, which cannot be made proper. Whence it

follows, if we speak properly, no part of the sea can be incorporated in the territory of any people. Which thing Placentius seems to have meant when he said, "That the sea was so common, that it may be in the dominion of none but God alone," and Johannes Faber, "When the sea shall depart, left in his ancient right and being, wherein all things were common," (*The Free Sea*, p. 31).

... that **it is lawful for any nation to go to any other and to trade with it.** God himself speaks of this in nature, seeing he will not have all those things, whereof the life of man stands in need, to be sufficiently ministered by nature in all places and also granted some nations to excel others in arts. **To what end are these things but that he would maintain human friendship by their mutual wants and plenty, ...** (*The Free Sea*, p. 19).

Five parts of Grotius' argument should be clear: (1) that knowledge of natural law (rights and rules of conduct) is an essential feature of human nature, (2) that those laws apply to the rulers as well as to the people ruled; and (3) that natural law specifies that some things should be held in common and others private. (4) The sea, for example, is common to all, because it cannot be possessed. (5) Free passage over the seas and international trade is lawful (ethical) under natural law. Indeed, it is required by the uneven distribution of raw materials and talent in and among societies. It is a source of amity among men. Thus, no nation should interfere with it.

Note the sharp contrast between More's utopia and Grotius with respect to commerce. Grotius argues that **free trade** is a God-given

¹⁷ Excerpts are from the translation from Latin by Richard Hakluyt (circa 1615) as edited by David Armitage (2004). The manuscript is available in hard copy and various electronic forms from Liberty Fund and in Kindle format from Amazon ([Evergreen Review] without introductory notes).

or natural right, evident both in the distribution of goods and services within a country and around the world, and consistent with goals of satisfying human wants and assuring human friendship. There is no necessary conflict between economic activity and ethical behavior. International and domestic commerce are supported by both natural law and the facts of nature. Indeed, since all human beings must follow natural law, it is unethical and illegal to interfere with or try to prevent free trade. In contrast, More suggests that trade is at best a necessary inconvenience that distracts one from the important activities of life.

In Grotius, as in Aristotle, there is a clear connection between private and civil ethics, what is right for individuals is also right for kings and other government leaders. However, Grotius suggests that natural law is relatively easy to discern, because it is written in every human being's mind. This implies that everyone can and should follow natural law. Grotius, in contrast to Aristotle does not try to find an ultimate foundation for such rules of conduct and ownership, but simply takes natural law to be more or less self evident.

B. Pieter De La Court (1618 - 1685)

Pieter De La Court's *The Interests of Holland* (1662) is written a half century later, after the Netherlands rose to international prominence, largely through commerce. La Court was a second generation immigrant to the Netherlands from present day Belgium. His family

ran a successful cloth manufacturing business.¹⁸ He was educated at Leiden University (which now has a building named after him) and was politically active in the Dutch republic for much of his adult life writing books and pamphlets in support of the republican form of government, free trade, and religious tolerance. The Netherlands was in this period the freest and most open country on Earth.

The success of La Court and his father suggest that it was a relatively open society in which emigrants could do very well, unlike others in Europe at this time. Wealth itself was taken to be a good thing, a blessing, rather than a sign of moral depravity. The wealth associated with nearly a century of independence, republican governance, and relatively open markets was by La Court's time self evident.

The Interests of Holland is not a book on ethics, per se, but on public policy. However, it indirectly sheds light on how private codes of conduct had evolved in Holland during the previous half century. La Court takes the legitimacy of the new norms and laws to be obvious and broadly supported by his readers.¹⁹

God can give **no greater temporal blessing to a country in our condition than to introduce and preserve a free commonwealth government.** (*The True Interest and Political Maxims of the Republic of Holland*, p. 38).

¹⁸ Belgium and the Netherlands share the delta of the Rhine River, a major outlet for products from central Europe (Southern Germany, Northern France, Switzerland). The provinces south of the Rhine remained under Hapsburg rule for the period of the Dutch Republic. This territory became known as Belgium and remained Catholic. Many Protestants, thus, left Belgium for the Netherlands in the early days of the Republic.

¹⁹ The 1746 Campbell translation from the original Dutch of La Court's *The True Interest and Political Maxims of the Republic of Holland* is used here. An early translation is used because it would not have been influenced by emergence of economics and before the philosophical and political developments of the eighteenth century. Various digitized versions are available at the Liberty Fund website. As in previous cases, the excerpts are slightly edited. Contemporary rules for punctuation and capitalization are used. A few words in brackets are added to help contemporary readers or provide context for the excerpt used.

The inhabitants under this free government hope by lawful means to acquire estates ... and use their wealth as they please, without dreading that any indigent or wasteful prince--or his courtiers and gentry, who are generally as prodigal, necessitous, and covetous as himself--should on any pretense whatever seize the wealth of the subject. Our inhabitants are therefore much inclined to subsist by the forenamed and other like ways or means, and gain riches for their posterity by frugality and good husbandry. (1662/1746, p. 56) *The True Interest and Political Maxims of the Republic of Holland*. Liberty Fund).

Next to a liberty of serving God [religious tolerance], follows the **liberty of gaining a livelihood** without any dear-bought city-freedom, but only by virtue of a fixed habitation to have the common right of other inhabitants. [Such liberties are] very necessary for keeping the people we have, and inviting strangers to come among us. (*The True Interest and Political Maxims of the Republic of Holland*, p. 74).

It is certainly known that this country cannot prosper, but by means of those that are most industrious and ingenious, and that such patents or grants [monopolies and trade privileges] do not produce the ablest merchants. (*The True Interest and Political Maxims of the Republic of Holland*, p. 76).

Moreover it is apparent that **he who increases his estate by industrious and frugal living**, is most burdened [by wealth taxes]: and he that by laziness and prodigality diminishes his estate will be less taxed. So that **virtue is unjustly oppressed, and vice favored**. Whereas on the contrary, the imposts on consumption fall heavy upon the riotous, and indulge and encourage the virtuous. (*The True Interest and Political Maxims of the Republic of Holland*, p. 87).

Notice that La Court does not think it necessary to justify prosperity as an aim in itself and spends most of his time writing about where prosperity comes from, how it can be sustained, and extended. The contrast with Erasmus and More could not be greater. Markets and commerce are the natural (God-given) center of life for individuals given the secure property rights associated with republican governance.

Divine authority matters to La Court, and he thanks god for providing the circumstances for wealth creation. These are god's blessings not a temptation to avoid, as in More, Erasmus, and to a lesser extent Aristotle. He suggest that a republican form of government (a somewhat representative government without a king) is one of the preconditions for prosperity, because kings and other nobles are prone to vice. Dutch law provided incentives for people to work hard and save. In such cases, institutions support both wealth accumulation and ethical behavior.²⁰

He suggests that freedom of religion and in economic life are two important reasons why people emigrated to the Netherlands during its republican period.²¹ The right to choose occupations and enter

²⁰ La Court also includes some discussion of the complementarity of various market activities. Fishing is not the sole cause of traffic [commerce], nor fishing and traffic the cause of manufacturing. These three together do not always give occasion for the shipping that is to let out to freight [long distance trade], ... but fishing flourishes much more in those parts, because traffic, navigation and manufactures are settled among us. (*The True Interest and Political Maxims of the Republic of Holland*, p. 57).

²¹ La Court nonetheless worries that these beneficial policies were being undermined in the Netherlands, which he expected to reduce the

into businesses encouraged new residents to work hard and save. Poorly devised taxes, on the other hand, can undermine the virtue of a citizenry by encouraging laziness and drinking, rather than encouraging hard work, prudence, and innovation.

La Court suggests that ethics (hard work, honesty, integrity, and religiosity) are necessary for prosperity. This is a quite different relationship than argued by most scholars writing in medieval Europe. In La Court, hard work and frugality are chosen by the individuals, rather than being God given or otherwise determined, and such choices. Such dispositions are clearly praiseworthy to La Court and his readers. Good government simultaneously promotes virtuous behavior and prosperity. In contrast with Aristotle, More, and Erasmus, there is no conflict between virtue and prosperity.²²

C. Richard Baxter (1615-1691)

We now shift from two Dutch secular writers who occasionally wrote about religious matters to two British theologians who occasionally wrote about secular issues: Richard Baxter, a moderate Presbyterian, and Robert Barclay, the most important Quaker theorist of his period and governor of the East New Jersey colony for eight years (1682-1690). Their works remained in print for more than two centuries, and both were widely read by Protestants in the decades after their publication. The writings of both men are prominent in Max Weber's analysis of the Protestant work ethic.

Baxter's (1673) *A Christian Directory* is a book of recommended practices for all Christians covering such topics as prayer, conversation, marriage, the hiring of servants, performance of contracts, political obligations, and to the appropriate time for games

and recreation. It is an accessible four volume work that attempts to provide practical guidance for literate Christians and ministers, rather than theologians, whom he addressed in other work. The *Christian Directory* includes the idea of "a calling," a task or job that God calls on one to do and to do well. It also discusses the importance of respecting ownership rights and contracts. One's religious duties include secular activities as well as religious ones.²³

VI. The first and principal thing to be intended in the **choice of a trade or calling for yourselves or children**, is the service of God and the public good; and therefore (*cæteris paribus*) that calling which most conduceth to the public good is to be preferred. **The callings most useful** to the public good are the **magistrates, the pastors, and teachers of the church, schoolmasters, physicians, lawyers, &c. husbandmen** (ploughmen, graziers, and shepherds); and next to them are mariners, clothiers, booksellers, tailors, and **such other that are employed about things most necessary to mankind.** (*A Christian Directory* KL 20570-20574).

If God shows you a way in which you may lawfully get more than in another way, (without wrong to your soul, or to any other,) **if you refuse this**, and choose the less gainful way, you cross one of the ends of your calling, and you **refuse to be God's steward**, and to accept his gifts, and use them for him when he requireth it; **you may labor to be**

Netherland's prosperity in the long run.

²² La Court clearly agrees with Weber's argument about the productivity of a work ethic, although he provides greater credit to supporting public policies than Weber does writing more than two centuries later.

²³ Excerpts are from a digitized version available at Amazon: Baxter, Richard (1673 / 2014-05-02). *A Christian Directory (complete - Volume 1, 2, 3 & 4 of 4): A Sum of Practical Theology and Cases of Conscience.*

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rich for God, though not for the flesh and sin. (*A Christian Directory* KL 20600-20602).

Live not in idleness or sloth; but be laborious in your callings, that you may escape that need or poverty which is the temptation to this sin of theft . **Idleness is a crime** which is not to be tolerated in Christian societies. (*A Christian Directory* KL: 47241-47242).

VIII. Remember always that God is present, and none of your secrets can be hid from him. What the better are you to deceive your neighbor or your master, and to hide it from their knowledge, as long as **your Maker and Judge seeth all?** (*A Christian Directory* KL: 47255-47257).

As in La Court, labor in Baxter's view is not a task to be minimized as in More's Utopia, but rather is an important part of one's duty to God. Indeed, idleness is a sin. Profits, per se, are not themselves to be discouraged, as in Aristotle, but are also part of God's instruction, as long as one does not use the fruits of one's labors for sinful activities. Indeed failing to take advantage of profitable opportunities is itself a sin.

Baxter's ascetic view of the good life implies that most sensual pleasures are sins, including conspicuous consumption, over eating and drinking, gaming, etc. In this he also differs from Aristotle, who recommends a moderate indulgence in such pleasures, rather than either extreme asceticism or hedonism. He is closer to Aristotle when he suggests that some types of work are more praiseworthy than

others; his list is similar in spirit to that of Aristotle's. Note that the occupations listed are nearly all secular ones. Only two are religious.

Baxter also insists that in all one's business dealings one must follow the golden rule. Indeed, cheating on one's obligations is impossible, because God always knows.²⁴ High profits and a frugal, diligent, hardworking lifestyle, naturally tend lift one out of poverty (which was wide spread in England as elsewhere at this time). For such persons, one's wealth would be evidence of industriousness and frugality, both praiseworthy dispositions having God's blessing.

D. Robert Barclay (1648-1690)

Robert Barclay's work was less widely read than Baxter's directives for a proper Christian life. His views provide evidence about Quaker ethics and developments in English political theory, and were more influential than would be suggested by his direct readership. His views were influential within Quaker circles and in the American colonies of New Jersey and Pennsylvania, where Quakers were often in government and wrote or contributed to constitutional documents (Congleton 2011, ch. 18).

Barclay's (1678) *An Apology for the True Christian Divinity* is largely a theological work, but his last two chapters include material relevant for every day politics and life, on which there is much agreement with Baxter.²⁵

Our principle leaves **every man to enjoy that peaceably, which either his own industry or parents have purchased to him**--only he is thereby instructed to use it aright, **both for his own good and that of his brethren**, and all to the glory of God,

²⁴ In Baxter's work, a strong work ethic and frugal lifestyle have biblical foundations that do not require the assumption of predestination, as Weber suggests. What is important for the emergence of a work ethic for Christians and other theists is the relative importance of the religious norms, rather than fundamental assumptions about supernatural power, knowledge, and intent.

²⁵ Available at Quaker Heritage Press: <http://www.qhpress.org/texts/barclay/apology/index.html>.

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in which also his **acts are to be voluntary and no ways constrained**. And further, we say not hereby that no man may use the creation more or less than another.

For we know that, as **it hath pleased God to dispense it diversely, giving to some more, and some less**, so they may use it accordingly. The several conditions under which men are diversely stated, together with their educations answering thereunto, do sufficiently show this. The servant is not the same way educated as the master, nor the tenant as the landlord, nor the rich as the poor; nor the prince as the peasant. (*An Apology for the True Christian Divinity*, Ch. 15, part II).

God hath often a regard to magistrates and their state as a thing most acceptable to him. But if any can further doubt of this thing, to wit, if without confusion it can be practiced in the commonwealth, **let him consider the state of the United Netherlands, and he shall see the good effect of it**, for there, because of **the great number of merchants, more than in any other place, there is most frequent occasion for this thing** [honesty and promise keeping], and though the number of those that are of this mind be considerable, to whom the States these hundred years have condescended, and yet daily condescend, **yet nevertheless there has nothing of prejudice followed thereupon to the commonwealth, government, or good order, but rather great advantage to trade, and so to the commonwealth**. (*An Apology for the True Christian Divinity*, Ch. 15, part VII).

These quotes echo Baxter on the divine source of inequality. He also is in agreement with La Court, when he suggests that the relatively tolerant and open institutions of the Netherlands have an implicit divine approval, as evidenced by their success. Moreover, he suggests that a commercial society tends to improve ethics, rather than to degrade them.

Barclay's suggested code of conduct for life on earth includes pacifism (except for self defense), simple dress, not bowing to any man, disuse of titles or other honorifics, and opposition to both laughter and swearing (Ch. 15 part II). Moreover, property should not be used for merely superfluous purposes.

Although Grotius, La Court, Barclay, and Baxter were all religious men, they all favored religious tolerance (freedom of conscience), for reasons similar to those which would be expressed by John Locke in 1689. Evidence of the breadth of support for religious tolerance among Quakers is provided by the East Jersey and West Jersey colonial charters. Barclay would have had some influence over the charter of East New Jersey (1680), which includes under title 16:

All persons living in the Province who confess and acknowledge the one Almighty and Eternal God, and holds themselves obliged in conscience to live peaceably and quietly in a civil society, **shall in no way be molested or prejudged for their religious persuasions and exercise in matters of faith and worship**; nor shall they be compelled to frequent and maintain any religious worship, place or ministry whatsoever:

There was no room for atheists, but in principle, all monotheists were welcome in East New Jersey. It should be kept in mind that most of Europe had state-supported monopoly religions at that time.

VI. John Locke (1632-1704) and the Division between Theological and Secular Law

John Locke was trained as a physician at Oxford and took a job as Ashley Cooper's (Lord Shaftsbury's) personal physician in 1667. Cooper, a leading politician and founder of the Whig (Liberal) party in England, was interested in both Locke's medical advice and intellect. He was Locke's patron for the next two decades. Cooper encouraged Locke to write and think about the grand issues of his day, although little of it was published until after Shaftsbury's death in 1683.

Locke spent the 1683-9 period in the Netherlands avoiding arrest by the British authorities and finishing up his philosophical, political, and religious works. There he doubtless would have become familiar with Dutch ideas about commerce, politics, and religious tolerance, which were very liberal by the standards of the world at that time.

Locke's work in philosophy and political science were sufficiently controversial that they were initially published anonymously. Book sales, nonetheless, were sufficient for multiple editions and translations to be published in short order. His books had many long term effects on philosophy and political theory. Many of his ideas would later be termed liberal or classically liberal. He also wrote a bit

about economic relationships. His writings were both consequential at the time he wrote them and remained influential for centuries afterwards.²⁶

Locke's also wrote a bit about both ethics and economics. He accords ethics a central place in his ideas about science, which for him encompasses the full range of that which humans can potentially understand.²⁷

Science may be divided into three sorts. All that can fall within the compass of human understanding, being either, **First, the nature of things**, as they are in themselves, their relations, and their manner of operation: or, **Secondly, that which man himself ought to do**, as a rational and voluntary agent, for the attainment of any end, especially happiness: or, **Thirdly, the ways and means whereby the knowledge of both the one and the other of these is attained** and communicated...

[With regard to the second] **Praktike, the skill of right applying our own powers and actions, for the attainment of things good and useful.** The

²⁶ His work is still widely cited today. For example, his epistemology book, *An Essay Concerning Human Understanding*, has more than 15000 Google citations (as of June 2016). His books on political theory, *Two Treatises of Government*, are also still widely cited, with more than 14000 Google citations (as of June 2016).

He argued that the human mind is a blank slate at birth, and that learning occurs through the development of ideas stimulated by the data of the senses and associated with each other through reason. This challenged ideas of Grotius (whose work he was familiar with and cited) that God wrote natural law directly into the minds of individuals. Given this, education and experience become central to an individual's development. Locke's theory of government was a major contribution to contractarian theories of the state, which is taken up in Part III of this book. He also analyzed the foundations of and markets, and suggested the labor is the ultimate foundation of both property and value, although he recognized the effects of supply and demand on prices in the short run. For a list of the many editions of his texts see <http://www.libraries.psu.edu/tas/locke/bib/early-wk.html>.

²⁷ Excerpts are from a digitized collection of his works available from Amazon (John Locke. *The John Locke Collection: 6 Classic Works*. [2013-03-24]).

most considerable under this head is **ethics, which is the seeking out those rules and measures of human actions, which lead to happiness**, and the means to practice them. The end of this is not bare speculation and the knowledge of truth; but right, and a conduct suitable to it. (*An Essay Concerning Human Understanding*, KL 16743-16746).

The aim of ethics is similar to that developed by Aristotle, it concerns rules for life that lead to happiness. Although Locke spends relatively little time explaining his views about such rules, like Aristotle, he regards ethical propositions to be more difficult to know than geometry or algebra. Nonetheless, given clear definitions, the rules of logic apply to ethics as well as to other topics. For example, if injustice, by definition, involves violations of rights, if there are no rights there can be no injustice.

Another thing that makes the greater difficulty in ethics is that moral ideas are commonly more complex than those of the figures ordinarily considered in mathematics. From whence these two inconveniences follow. First, that their names are of more uncertain signification, the precise collection of simple ideas they **stand for not being so easily agreed on**; and so the sign that is used for them in communication always, and in thinking often, does not steadily carry with it the same idea. (*An Essay Concerning Human Understanding*, KL 13993-13999).

For the **ideas that ethics are conversant about**, being all real essences, and such as I imagine **have a discoverable connexion and agreement one with**

another so far as we can find their habitudes and relations, so far we shall be possessed of certain, real, and general truths. (*An Essay Concerning Human Understanding*, KL 15503-15505).

“Where there is no property there is no injustice,” is a proposition as certain as any demonstration in Euclid: for the **idea of property being a right to anything, and the idea to which the name “injustice” is given being the invasion or violation of that right**, it is evident that these ideas, being thus established, and these names annexed to them, I can as certainly know this proposition to be true, as that a triangle has three angles equal to two right ones. (*An Essay Concerning Human Understanding*, KL 13978-13982).

Locke does not, however, argue in favor of a world without rights. This simply illustrates how logic can be applied to clear ethical propositions.²⁸ He regards the protection of property rights to be one of the core duties of legitimate government.

Locke argues that happiness is partly physical and partly a matter of character. The latter, however, is rarely a product of one’s “own making,” but rather of appropriate education. In this, his argument is not so different from Aristotle’s.

A SOUND mind in a sound body, is a short, but full description of a happy state in this world.

He that has these two, has little more to wish for; and he that wants either of them, will be but little the

²⁸ Two hundred years later, Pyotr Kropotkin would take this line of argument to heart. He opposed capitalism and favored of systems similar to More’s Utopia, in part because he thought that that property is unjust, e.g. theft. This and other critiques of capitalism are beyond the scope of this book, which is focused on the emergence of ethical support for capitalism rather than critiques.

better for any thing else. Men's happiness or misery is [partly] of their own making.

He, whose mind directs not wisely, will never take the right way; and he, whose body is crazy and feeble, will never be able to advance in it.

I confess, there are some men's constitutions of body and mind so vigorous, and well framed by nature, that they need not much assistance from others; but by **the strength of their natural genius, they are from their cradles carried towards what is excellent;** and by the privilege of their happy constitutions, are able to do wonders.

But **examples of this kind are but few;** and I think I may say, that **of all the men we meet with, nine parts of ten are what they are, good or evil, useful or not, by their education.** (*Some Thoughts Concerning Education*, KL 16765-16772).

Consistent with that proposition, he notes that men tend to join various societies to better advance their interests. For example:

The commonwealth seems to me to be a society of men constituted only for the procuring, preserving, and advancing their own civil interests. **Civil interests I call life, liberty, health, and indolency of body; and the possession of outward things,** such as money, lands, houses, furniture, and the like. **It is the duty of the civil magistrate, by the impartial execution of equal laws,** to secure unto all the people in general and to every one of his

subjects **in particular the just possession of these things belonging to this life.**

If anyone presumes to violate the laws of public justice and equity, established for the preservation of those things, his presumption is to be checked by the **fear of punishment, consisting of the deprivation or diminution of those civil interests, or goods,** which otherwise he might and ought to enjoy. (*A Letter Concerning Toleration*, KL 548-555).

Religious sects and churches are also voluntary societies, but with a different focus:

A church, then, I take to be a voluntary society of men, joining themselves together of their own accord in order to the **public worshipping** of God in such manner as they judge acceptable to Him, and effectual to the salvation of their souls. **I say it is a free and voluntary society.**

... No man by nature is bound unto any particular church or sect, but everyone joins himself voluntarily to that society in which he believes he has found that profession and worship which is truly acceptable to God. **The hope of salvation, as it was the only cause of his entrance into that communion, so it can be the only reason of his stay there.** (*A Letter Concerning Toleration* KL 597-603).

This division of authority is an important one in Locke's political theory. He argues that when secular or church authorities cross the appropriate boundary, the results can be disastrous as illustrated by European history.²⁹

²⁹ A long series of wars in the previous century had been fought in attempts to suppress the Protestant Reformation and increase

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We must, therefore, **seek another cause of those evils that are charged upon religion.** And, if we consider right, we shall find it to consist wholly in the subject that I am treating of. **It is not the diversity of opinions (which cannot be avoided), but the refusal of toleration to those that are of different opinions (which might have been granted), that has produced all the bustles and wars that have been in the Christian world** upon account of religion.

The **heads and leaders of the Church, moved by avarice and insatiable desire of dominion,** making use of the immoderate ambition of magistrates and the credulous superstition of the giddy multitude, have incensed and animated them against those that dissent from themselves, **by preaching unto them, contrary to the laws of the Gospel and to the precepts of charity, that schismatic and heretics are to be outdo of their possessions and destroyed.** And thus have they mixed together and **confounded two things that are in themselves most different, the Church and the commonwealth.** (*A Letter Concerning Toleration*, KL 1199-1206).

The church should not take property and life, because these are not within its sphere of authority, but neither should the state attempt to force particular religion beliefs, although it does have responsibility for enforcing some moral rules.

... the **care of souls cannot belong to the civil magistrate, because his power consists only in outward force;** but true and saving religion consists in the inward persuasion of the mind, without which nothing can be acceptable to God. (*A Letter Concerning Toleration*, KL 569-571).

No opinions **contrary to human society,** or to those **moral rules which are necessary to the preservation of civil society,** are to be tolerated by the magistrate. But of these, indeed, examples in any Church are rare. For no sect can easily arrive to such a degree of madness as that it should think fit to teach, for doctrines of religion, such things as manifestly undermine the foundations of society and are, therefore, condemned by the judgment of all mankind; because **their own interest, peace, reputation, everything would be thereby endangered.** (*A Letter Concerning Toleration*, KL 1081-1085).

Locke goes on to characterize relationships between three general types of laws and ideas about good and evil in a given community.

These three laws [determine] the rules of moral good and evil. These three then, **first,** the law of God; **secondly,** the law of politic societies; **thirdly,** the law of fashion, or private censure, are those to which men variously compare their actions.

And, it is **by their conformity to one of these laws that they take their measures, when they would**

centralization. The Dutch Revolt is normally included among these. Although the issues at stake were not simply religious ones, religion clearly intensified and prolonged the conflict. These wars were fought intermittently from about 1524-1648 throughout northern Europe. It was resolved with a peace-political treaty called, the Peace of Westfalia in 1648.

judge of their moral rectitude, and denominate their actions good or bad. **Morality is the relation of voluntary actions to these rules.** (*Two Treatises on Government*, KL 10658-10662).

What is new about this argument for ethical theory is Locke's suggestion that not all laws have religious purposes or foundations. There are separate religious, political, and social spheres of law and morality. Note also that Locke draws on Aristotle's argument with respect to moral choices being voluntary, which plays an important role in his arguments in favor of religious tolerance.

[L]eaving in the meanwhile to every man the care of his own eternal happiness, the attainment whereof can neither be facilitated by another man's industry, nor can the loss of it turn to another man's prejudice, **nor the hope of it be forced from him by any external violence.**

But, forasmuch as **men thus entering into societies, grounded upon their mutual compacts of assistance for the defense of their temporal goods, may, nevertheless, be deprived of them**, either by the rapine and fraud of their fellow citizens, or by the hostile violence of foreigners, the **remedy** of this evil [foreign invasions] consists in arms, riches, and multitude of citizens; the remedy of the other in laws.

The care of all things relating both to one and the other is committed by the society to the civil magistrate. This is the original, this is the use, and these are the bounds of the legislative (which is the supreme) power in every commonwealth. **I mean that provision may be made for the security of**

each man's private possessions; for the peace, riches, and public commodities of the whole people; and, as much as possible, for the increase of their inward strength against foreign invasions. (*A Letter Concerning Toleration*, KL 1040-1048).

The above analysis is what might be regarded as an analysis of civil ethics analogous to that undertaken by More. It is quite different from More's both in the proper role of the state and in the variety of methods for advancing personal happiness that it allows for. The best methods for achieving a happy life Locke regards to be a private matter, albeit one that is largely determined by education. Praiseworthy goals include leisure and wealth: "life, liberty, health, and indolency of body; and the possession of outward things, such as money, lands, houses, furniture." Meditation alone is not sufficient for happiness, and this could be taken for granted among his readers. Although his political arguments were controversial at the time that he wrote, secular aims were evidently uncontroversial parts of a complete life. Thus, protecting a person's life, liberty, and property could be argued to be among the core functions of government.

VII. Conclusion: the Enlightenment and the Moral Support for Commercial Activities

The above writings are not a complete catalog of thoughts on commercially relevant ethics from 1500 to 1700, but provide a useful sample of writing by widely read authors who wrote on both economic and ethical issues. Those selected are for the most part among those that might be regarded as the vanguard of the liberal movement. That is to say, they often reached conclusions that would be later regarded as "liberal" concerning political and economic matters. This point of view was becoming increasingly commonplace during the seventeenth century, but would not become the dominant one in the West until the mid to late nineteenth century.

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With regards to ethical reasoning, there is a clear trend. The authors are increasingly interested in making recommendations for life on earth. Among religious scholars such as Baxter and Barclay, there is no separation of the religious and worldly spheres of life, but no necessary conflict. Locke reestablishes a distinction between these spheres of life, but in contrast to medieval authors suggests that life in a community requires its own ethical behavior and good laws. A civil sphere of life existed along side one's spiritual life. Some ethical behavior is generated by practical concerns for life among fellow humans, rather than from religious texts or the pursuit of a pleasant afterlife.

According to Locke, both religious and political societies are (or should be) voluntary associations for advancing shared goals. Religious societies advance spiritual goals, while political societies advance practical ones such as the protection of life, liberty and property. Property, thus, becomes one of the central responsibilities of government, rather than a temptation to be minimized. La Court and Locke argued that "sins" can be committed by large organizations--the church and government--as well as by individuals.

It appears that diligent hard work was generally praiseworthy throughout this period, insofar as both were evident in the lives of the prominent scholars, government officials, and business men. However, commercial activities, upward mobility, and the accumulation of wealth clearly became relatively more acceptable and praiseworthy during the sixteenth and seventeenth centuries. This is clear as we move from More and Erasmus to Baxter and Locke. In More the aim of work is simply to assure the necessities of life with as much time as possible for contemplation and meditation. In La Court, Baxter, and Locke, work and frugality generated wealth, which was a good thing--a blessed, admirable, or virtuous thing--in its own right and worthy of government protection.

Economic theory suggests that such trends in normative theory would tend to increase the extent of market activity. Simply shifting

efforts from narrow religious activities to ones associated with commerce would tend to do so. Frugality would tend to increase the supply of capital and increase the stock of equipment available for production, shipping, and storage. Frugality would also provide funds for loans and a buffer against economic and other shocks. Diligence and honesty tend to make markets work better, by reducing risks from exchange and the need for monitoring in production. Civil laws that further increased certainty in contracts and property while reducing predation would encourage longer term planning and investments.

Such effects should be evident in data on the economic standard of living in the period from 1500 through 1800. Such a pattern can be found in the GDP calculations of Broadberry, Cambell, Klein, Overton, and Leeuwen (2015) for England from 1270-1730. Their figures 4 and 5 show a relatively flat output of agricultural and industrial production until 1500 and a clear acceleration after 1500.

[Insert figures if copyright law allows.]

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