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54. Thoreau, *Walden*, 18.
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62. Two judicious assessments of Lincoln's outlook are Richard Carwardine, *Lincoln* (London: Longman, 2003); and Allen Guelzo, *Abraham Lincoln, Redeemer President* (Grand Rapids, MI: Eerdmans, 1999).
63. Abraham Lincoln, "First Debate with Stephen A. Douglas" (1858), in *The Collected Works of Abraham Lincoln*, ed. Roy P. Basler (New Brunswick, NJ: Rutgers University Press, 1953), 3:16 (emphasis in original).
64. See also Howe, *Making the American Self*, 136–49.
65. Topics in this chapter are explored more fully in Daniel Walker Howe, *What Hath God Wrought: The Transformation of America, 1815–1848* (Oxford: Oxford University Press, 2007). All material adapted from that book is used with the permission of Oxford University Press.

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The Prehistory of American Thrift

Deirdre McCloskey

The prehistory of North American thrift is English. A plantation owner in seventeenth-century Virginia thought of himself as a British subject. In Massachusetts John Winthrop and Anne Bradstreet were born English and anyway viewed their city of God in the New World as an extension of English Puritanism. The "long, rather listless pieces" of poetry by Bradstreet before she found her American voice, Adrienne Rich writes, "seem to have been composed in a last compulsive effort to stay in contact with the history, traditions, and values of her former world."¹ At the other end of the century and a half of colonial North America one finds Benjamin Franklin, that apostle of bourgeois virtues, worrying and worrying about his Englishness. He spent a year as a printer and then two long trips as a diplomat in London, two decades in total, and right up to 1776 thought of himself as a citizen of the British Empire. He split from his beloved illegitimate son, William, a colonial governor and later a banished Tory, on the issue of Englishness.

The word *thrift* in English is still used as late as John Bunyan to mean simply "wealth" or "profit," deriving from the verb *thrive*—as *gift* derives from *give* and *drift* from *drive*. Its third sense in the *Oxford English Dictionary* is our modern one, dating significantly from the sixteenth century: "food is never found to be so pleasant . . . as when . . . thrift has pinched afore" (1553); "so I will if none of my sons be thrifty" (1526).

This sense of thrift, anywhere, can be viewed as a mix of the cardinal virtues of temperance and of prudence in things economic. Temperance is the cardinal virtue of self-command facing temptation. Lead me not into temptation. Prudence, by contrast, is the cardinal virtue of practical wisdom. It is reason, know-how, savoir faire, rationality. Prudence without temperance does not in fact do what it knows it should thriftily do. Temperance without prudence does not know what to do. Prudent housewives in the "Ladder to Thrift," as the English agricultural rhymester Thomas Tusser put it in 1574,

“make provision skillfully.”² Without being full of skill—that is, prudent—they do not know how to be thrifty in saving tallow for candles or laying up salt mutton for Christmas.

Prudent temperance in a sense has no history, in that it is ever present in human society. The Hebrew Bible, for example, speaks of thrift, usually associated with diligence: “The sluggard will not plough by reason of the cold; therefore shall he beg in harvest, and have nothing” (Prov. 20:4 KJV); “Seest thou a man diligent in his business? he shall stand before kings” (Prov. 22:29 KJV). Jesus of Nazareth and his tradition used parables of thrift to point to another world. “Eat and drink,” advises the Koran, “but be you not prodigal; [God] loves not the prodigal” (7:31).³

Of course faiths other than the Abrahamic ones admire on occasion a godly thrift. The Four Noble Truths of Buddhism, to be sure, recommend that life’s sorrow can be dissolved by the ending of desire, in which case advice to be thrifty would have no point. Buddhism is similar in this respect to Greek and Roman Stoicism, which advocated devaluing this world’s lot, an inspiration to Christian saints of thriftiness early and late. But consider the “Admonition to Singāla,” consisting of a few hundred lines in the Buddhist canon, described as “the longest single passage . . . devoted to lay morality.” In the midst of it Buddha is represented as bursting into poetry in praise of friendship. The reward?

The wise and moral man
Shines like a fire on the hilltop,
Making money like a bee,
Who does not hurt the flower.
Such a man makes his pile
As an anthill, gradually.
The man grown wealthy thus
Can help his family
And firmly binds his friends
To himself. He should divide
His money in four parts;
On one part he should live,
With two expand his trade,
And the fourth he should save
Against a rainy day.⁴

As the editor remarks, the verses “effectively give the lie to the picture, still popular in some circles, of ancient India as a land of ‘plain living and high thinking.’ The last three verses are evidently a product of a society quite as acquisitive as that of present-day Europe or America.”⁵ More so, actually, if one is to take literally the recommended savings rate of fully 75 percent—with no allowance for charity, something that bothered the Buddhist commentators.

From the huts of the Aborigines to the lofts of Chicago, humans need to live within their incomes, being by their own lights “thrifty.”

In England the thirteenth-century writers of advice books to Norman-English landowners start with thrift and go on to the details of husbandry. The third paragraph of *The Husbandry* by Walter of Henley, after a bow in the second paragraph to the passion of Jesus, prays “that according to what your lands be worth yearly . . . you order your life, and no higher at all.”⁶ It continues then in the same vein for five more paragraphs. The anonymous *Seneschaucy*, also written in medieval French in the late thirteenth century, instructs the lord’s chief steward “to see that there is no extravagance . . . on any manor . . . and to reduce all unnecessary expenditure . . . which shows no profit. . . . About this it is said: foolish spending brings no gain.”⁷ The passage deprecates “the practices without prudence or reason” (*lez maners saunz pru e reyson*). So much for a rise of prudence, reason, rationality, and thrift in, say, the sixteenth century. Prudent temperance rose with Adam and Eve.

The prehistory of thrift, in other words, extends back to the Garden of Eden. It is laid down in our genes. A protoman who could not gain weight readily in feast times would suffer in famine. Therefore, his descendent in a prosperous modern society has a weight problem. Prudent temperance does not require a stoic or monkish abstemiousness. A plowman burning 3,000 calories a day had better get them somehow. One should be thrifty in eating, says Tusser, but not to the point of denying our prudent human solidarity:

Each day to be feasted, what husbandry worse,
Each day for to feast, is as ill for the purse;
Yet measurely feasting, with neighbors among,
Shall make thee beloved, and live the more long.⁸

From the sixteenth through the eighteenth century, then, the average English and American-English person surely practiced thrift. But this did not distinguish her from the average English person before or after, or for that matter from the average person anywhere since Eden.

“My other piece of advice, Copperfield,” said Mr. Micawber, “you know. Annual income twenty pounds, annual expenditure nineteen nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery.”

To make his example the more impressive, Mr. Micawber drank a glass of punch with an air of great enjoyment and satisfaction, and whistled the College Hornpipe.

I did not fail to assure him that I would store these precepts in my mind.⁹

Thrift in the sense of spending exactly what one earns is forced by accounting. Not having manna from heaven or a Santa Claus, the world must get along on

what it gets. The world's income must equal to the last sixpence the world's expenditure—*expenditure* understood to include investment goods. So too Mr. Micawber. If he spends more than he earns, he must depend on something turning up, that is, a loan or gift or inheritance. He draws down his credit. In the meantime, his diminishing balance sheet—what he owns and owes—pays to the last sixpence for his punch and his house rent.

Thrift in the sense of earning *much* more than one spends, and thereby accumulating assets in that balance sheet, is again a matter of accounting. You must expend everything you earn somehow, on bread or bonds or building houses or whatever. But of course you can expend foolishly or well—on bombs or on college educations. If you refrain from silly consumption of Fritos and other immediate-consumption goods—“abstaining from consumption,” in the economist's useful way of putting it—you necessarily save; that is, you add to your hoard buried in the back garden or to a bank account or to your investments in educations or roadways or battleships.

There is nothing modern, I repeat, about such accounting. It comes with life and the first law of thermodynamics, in the Kalahari or in Kansas City. In particular, the preindustrial European world I am here contrasting with modern times needed urgently to abstain from consumption—*consumption* understood as immediate eating and other immediate expenditures that are not investments in a future. Yields of rye or barley or wheat per unit of seed planted in medieval and early modern agriculture were only 3 or 4; they are over 100 now. The low yields forced Europeans to refrain from a great deal of consumption if they did not want to starve in the next year. One-quarter to one-third of the grain crop went back into the ground as seed in the fall or the spring, to be harvested the next September. In an economy in which the grain crop was perhaps three-fourths of total income, that portion alone of medieval saving implied an aggregate, social saving rate of upward of 25 percent. The usual rate of saving in modern industrial economies is seldom above 10 percent.

Furthermore, trade in grain was restricted in climatic extent, so grain storage even for consumption in people's mouths, and not just for investment in next year's seed, was also high by modern standards. Grain storage amounted to another desperate form of saving, crowding out more modern forms.¹⁰ In recent times, if the grain crop does poorly in America, the world market easily supplies the difference from a different clime. In the late Middle Ages grain did flow from the Midlands to London or from Burgundy to Paris. But it began to flow to Western Europe in large amounts from as far away as Poland only gradually in the sixteenth and seventeenth centuries, through the efforts of thrifty Dutch merchants and shipbuilders, and only in the nineteenth century from as different a climate as Ukraine or, finally, from North and South America or even Australia. Until the eighteenth century, therefore, the grain crops here and there in the relevant and narrow market area tended to fail

together. The potato famine of the 1840s was the last replay of a sort of undiversified catastrophe that was commonplace in the 1540s and more so in the 1340s. In such circumstances you stored and saved, in gigantic percentages of current income, or you starved.

Such scarcities were broken in the New World of British Americans. They ate better than their Old World cousins within a generation of the first settlements.¹¹ The feat was not hard, for their English cousins were passing then through the worst times for the working man and woman since the early fourteenth century.¹² Plentiful land, at any rate out on the literal frontier, made it unnecessary to save so much in grain, and freed the sum for other investments. Yet although the North American English became, even as a colony, well off by British standards, British North America was by no means the home of the Industrial Revolution. It was too small, too tempted by agriculture, too far away. The Northeast of the soon-to-be United States, like southern Belgium and northern France, was to be sure a close follower, in the 1790s and 1800s. But the leaders, from the 1760s, were northwest England and lowland Scotland, lands of grudgingly necessary thrift.

The point is that there is no aggregate increase in thrifty savings to “explain” the modern world. Thrifty saving is not peculiar to capitalism and has nothing to do with an alleged rise of prudence or greed or anything else in the childhood of the modern world. Actual saving was high before modern times and did not change much with modern capitalism.

So too actual greed. In 1904 Max Weber, writing when the German Romantic notion that medieval society was more sweet and egalitarian than modern capitalism was beginning to crumble in the face of historical research, thundered against the idea that greed is “in the least identical with capitalism, and still less with its spirit.” He writes, “It should be taught in the kindergarten of cultural history that this naïve idea of capitalism must be given up once and for all.”¹³ *Auri sacra fames*—“infamous lust for gold”—is from the *Aeneid*, not from Benjamin Franklin or *Advertising Age*.¹⁴ The lust for gold “has been common to all sorts and conditions of men at all times and in all countries of the earth.”¹⁵

The case is the same with actual luxury, the opposite of thrift. “Depend on it, sir,” said Samuel Johnson in 1778, “every state of society is as luxurious as it can be. Men always take the best they can get,” in lace or food or educations.¹⁶ Karl Marx noted cannily that “when a certain stage of development has been reached, a conventional degree of prodigality, which is also an exhibition of wealth, and consequently a source of credit, becomes a business necessity. . . . Luxury enters into capital's expenses of representation.”¹⁷ True. Otherwise it would be hard to explain the high quality of lace on the collars of black-clad Protestant Dutch merchants in paintings of the seventeenth century or, indeed, the market for the expensive oil paintings in the hundreds of thousands representing the merchants and their world.

Readers of the magnificent historical chapters 25–31 of Marx's *Capital* find all this hard to believe. Marx's eloquence persuades them that someone writing in 1867, very early in the professionalization of history, nonetheless got the essence of the history right. The history Marx thought he perceived went with his logic that capitalism just *is* the same thing as greed—"the restless never-ending process of profit-making alone . . . this boundless greed after riches," as he put it, drawing on an anticommmercial theme originating in Aristotle.¹⁸ Greed is the engine that powers his "equation" (as he imagined it to be) of $M \rightarrow K \rightarrow M'$: that is, money starting as an amount M gets invested, through thriftiness, in *Kapital*, which is intrinsically exploitative, generating surplus value appropriated by the capitalist to arrive at a new, higher amount of money, M' . And then again and again and again, "endlessly."¹⁹ The root of the word Marx uses here, which was echoed during the Dark Ages in rural monkish economic theory and still resonates in Marx-influenced notions of capitalism, originated twenty-four centuries before Marx in the Greek aristocratic disdain for commerce: people of business, declared aristocratic Plato and aristocrat-loving Aristotle, are motivated by *apeiron*—unlimited—greed.

For all Marx's brilliance—anyone who does not think he was the greatest social scientist of the nineteenth century has not read enough Marx—he got the history almost entirely wrong. Whatever the value of his theories as a way of asking historical questions, almost no important fact you read in Marx is historically correct. This is not some special Marxian fault. The same is true of the other practitioners of merely philosophical history before the facts started arriving at last, during the twentieth century: David Hume, Jean-Jacques Rousseau, Adam Smith, Georg Hegel, Ferdinand Tönnies, Émile Durkheim, and even, a very late instance, on many points Weber, and still later Karl Polanyi.²⁰ The theory of capitalism that educated people still carry around in their heads springs from Marx, Saint Benedict, and Aristotle, filtered through these eloquent modern men. It is economically mistaken. And the point here is that it is historically mistaken as well.

The myth of *Kapitalismus* is that thrift among the bourgeoisie consists precisely in the absence of a purpose other than accumulation "for its own sake." The late Robert Heilbroner wrote, "Capitalism has been an expansive system from its earliest days, a system whose driving force has been the effort to accumulate ever larger amounts of capital itself."²¹ Weber wrote, too, in 1904, that "the *summum bonum* of this ethic [is] the earning of more and more money. . . . Acquisition . . . [is] the ultimate purpose of life."²² Weber here, contrary to the thundering just quoted, agreed with Marx, money-to-capital-to-money: "Accumulate, accumulate!" declared the man himself in 1867. "This is Moses and the prophets!"²³

At the level of individuals there has never been any evidence for the historical change that is supposed to characterize modern forms of greedy thrift. The chief evidence that Weber gives in *The Protestant Ethic and the Spirit of*

Capitalism is a humorless reading of Franklin's autobiography. Like many other readers of Franklin, especially non-American readers, Weber took the checklist of virtues a young man used to discipline himself as the man's essence. He failed to note Franklin's actual behavior as a loving and passionate friend and patriot or his amused ironies about his young self.²⁴ Weber modified the pointlessness of the Marxian impulse to "accumulate, accumulate" by claiming that "this philosophy of avarice" depends on a transcendent "duty of the individual toward the increase of his capital," becoming a "worldly asceticism."²⁵ But his Franklin, who after all had lost most other traces of his ancestors' Calvinism, whether spiritual or worldly, abandoned at age forty-two "endless" accumulation and devoted the rest of his long life to science and public purposes. So much for "ever larger amounts of capital itself" or a "duty toward the increase of capital" or the drive to "accumulate, accumulate."

Many fine scholars have taken in with their mother's milk a belief that modern life is unusually devoted to gain and that thrift is therefore something recent, dirty, and bourgeois, though lamentably profitable. "The unlimited hope for gain in the market," writes the otherwise admirable political theorist Joan Tronto, "would teach people an unworkable premise for moral conduct, since the very nature of morality seems to dictate that desires must be limited by the need to coexist with others."²⁶ But running a business, unlike professing at a university, would teach anyone that gain is limited. Dealing in a market, unlike sitting in the Reading Room of the British Museum writing burning phrases against the market, would teach that desires must be limited by the need to coexist with others. The tuition of a market society in scarcity, other-regarding, and liberal values works as an ethical school. As the historian Thomas Haskell put it in 1985, "Contrary to romantic folklore, the marketplace is not a Hobbesian war of all against all. Many holds are barred. Success ordinarily requires not only pugnacity and shrewdness but also restraint," temperance.²⁷

Even so fine a historian as Alan Macfarlane believes the Aristotelian/Marxist/Weberian lore. "The ethic of endless accumulation," he writes, "as an end and not a means, is the central peculiarity of capitalism."²⁸ If it were, the miser would be a strictly modern figure and not proverbial in every literature in the world. "In this consists the difference between the character of a miser," wrote Smith in 1759, "and that of a [thrift] person of exact economy and assiduity. The one is anxious about small matters for their own sake; the other attends to them only in consequence of the scheme of life which he has laid down for himself."²⁹ "Accumulate, accumulate" is not a "scheme of life" in the ethical sense that Smith had in mind.

At the level of the society as a whole there *is* "unlimited" accumulation, at any rate if war and rapine and rats do not intervene. Corporations, having legally infinite lives—though in truth 10 percent die every year—are to be sure sites of accumulation. The individual economic molecules who make up the

river of capitalism may not always want to accumulate beyond age forty-two, but the river as a whole, it is said, keeps rolling along. True, and to our good. The machines and improved acreage and splendid buildings and so forth inherited from an accumulating past are good for us now.

But there is no historical case for “accumulate, accumulate” being peculiar to capitalism. Infinitely lived institutions like families or churches or royal lineages existed before modern capitalism and were themselves, too, sites of accumulation. Thus improved acreage spread up the hillsides under the pressure of population before the Black Death. Thus the medieval cathedrals were raised over centuries. Thus Oxford colleges were built, and endowed in real estate.

The prehistory of thrift was itself revolutionized during the 1960s when economic historians realized with a jolt that thriftiness and savings could not explain the Industrial Revolution. The rise in savings was too small.³⁰ “The bourgeoisie,” wrote Marx in 1848, “during its rule of scarce one hundred years has created more massive and colossal productive forces than have all the preceding generations together.”³¹ It was a prescient remark. But the classical economists from Smith to Marx were writing before the upsurge in real wages of British and Belgian and American working people in the last third of the nineteenth century, and long, long before the explosion of world income in the twentieth century. They imagined a moderate rise of income per person, perhaps at the most by a factor of two or three, such as might conceivably be achieved by Scotland’s highlands becoming similar to capital-rich Holland (Smith’s view) or by manufacturers in Manchester stealing savings from their workers (Marx’s view) or by the savings generated from globalization being invested in European factories (John Stuart Mill’s view).

The classical and mistaken view overturned by the economic historians of the 1950s and 1960s is that thrift implies saving, which implies capital accumulation, which implies modern economic growth. It lingered in a few works such as Walt Rostow’s *Stages of Economic Growth* (1960) and most unhappily in what William Easterly (2001) has called the “capital fundamentalism” of foreign aid, 1950 to the present. The belief was that if we give Ghana large amounts of savings over several decades, leading to massive capital investments in artificial lakes and Swiss bank accounts, and give Communist China not a penny, Ghana will prosper and Communist China will languish.³²

What actually happened from 1800 to 2000—and, once it was fully recognized, what killed the notion among most economists and economic historians that thrifty saving was the way to massive and colossal productive forces—was a rise of income per person by a factor of not two or three but *eighteen*.³³ That is how much income per head in places like the United States and Japan have risen since such countries invented or adopted modern techniques of making steel or lighting houses. It is not 18 percent, understand, such as classical notions of thrifty capital accumulation could explain with ease, or even a near tripling of 180 percent, which they could perhaps explain, with a

good deal more trouble. It is a factor of 18, fully 1,700 percent—which they cannot explain at all.

What, then, explains it? New thoughts, what the economic historian Joel Mokyr calls the “industrial enlightenment.” The ideas of steam engines and lightbulbs and computers, not new accumulations from saving, made northwestern Europe and then much of the rest of the world rich.³⁴ Accumulation of physical capital is not the heart of modern capitalism, as economic historians have understood since their researches of the 1950s and 1960s and as economists have understood since the calculations by Moses Abramowitz and Robert Solow in the 1950s—and before them the calculations by G. T. Jones in 1933.³⁵ Its heart is innovation.

Of course, if you think up a waterpower-driven spinning machine, you need some savings to bring the thought to fruition. But another of the discoveries of the 1960s by economic historians was that the savings required in England’s heroic age of mechanization were modest indeed, nothing like the massive “original accumulation of capital” that Marxist theory posits. Early cotton factories were not capital-intensive. The source of the industrial investment required was short-term loans on inventories and loans from relatives, not savings ripped in great chunks from other parts of the economy.

The classical and Marxist idea that capital begets capital, “endlessly,” is hard to shake. It has recently revived a little even among economists, in the form of the so-called new growth theory, an attempt to give $M \rightarrow K \rightarrow M'$ a mathematically spiffed-up form. The trouble is that, as I have noted, savings and urbanization and state power to expropriate and the other physical-capital accumulations that are supposed to explain modern economic growth have existed on a large scale since the Sumerians. Yet modern economic growth, that wholly unprecedented factor of 18, is a phenomenon of the past two centuries alone. Something happened in the eighteenth century that prepared for a temporary but shocking “great divergence” of the European economies from those of the rest of the world.³⁶

The *marxisant* analysis is that what happened is the “original accumulation of capital.” The original or primitive accumulation was according to Marx the seed corn, so to speak, or better the starter in the sourdough, in the growth of capital. We are back to thrift or savings not by historical fact but by blackboard logic. “The whole movement,” Marx reasons, “seems to turn on a vicious circle, out of which we can only get by supposing a primitive accumulation, . . . an accumulation not the result of the capitalist mode of production, but its starting point.”³⁷ As the economic historian Alexander Gerschenkron put it in 1957, with a certain sarcasm, it is “an accumulation of capital continuing over long historical periods—perhaps over several centuries—until one day the tocsin of the industrial revolution was to summon it to the battlefields of factory construction.”³⁸

Looking at the thrift necessary for such an accumulation in a cheerful way, the starting point was a supposed rise of thriftiness among Dutch or especially

English Puritans. Marx characterized such tales as praise for “that queer saint, that knight of the woeful countenance, the capitalist ‘abstainer.’”³⁹ We can join him for a moment in disbelieving the optimistic tale, noting further, and contrary to his own pessimistic tale, that abstention is universal, as I have said, and that saving rates in Catholic Italy or for that matter Confucian China were not much lower, if lower at all, than in Calvinist Massachusetts or Lutheran Germany.

Marx’s notion in *Capital*, on the contrary, is that an original accumulation was a sine qua non and that there was no saintliness about it. The original accumulation was necessary because masses of savings were necessary and because “conquest, enslavement, robbery, murder, briefly, force, play the greater part.”⁴⁰ He instances enclosure in England during the sixteenth century (which has been overturned by historical findings that such enclosure was minor) and in the eighteenth (which has been overturned by findings that the labor driven off the land was a tiny source of the industrial proletariat and occurred mainly in the south and east where little industry was going on). He gives a large part, then, to regulation of wages in making a proletariat in the sixteenth century (which has been overturned by findings that half of the labor force in England as early as the thirteenth century already worked for wages). And then he turns to the slave trade: “Liverpool waxed fat on the slave-trade. This was its method of primitive accumulation” (which has been overturned by findings that the alleged profits were no massive fund).⁴¹ Later writers have proposed as the source of the original accumulation the exploitation by the core of the periphery (Poland, the New World);⁴² the influx of gold and silver from the New World (strange as it is then that imperial Spain did not industrialize); the exploitation of workers themselves during the Industrial Revolution, out of sequence; other loot from imperialisms old and new; or, following on Marx’s assertion in *The Communist Manifesto*, even seventeenth-century piracy.

None of these, it has been found, make very much historical sense, and the findings are not very surprising. After all, conquest, enslavement, robbery, murder, and, briefly, force have characterized the sad annals of humankind since Cain and Abel. Why didn’t earlier and even more thorough expropriations result in an industrial revolution and a factor of 18, that 1,700 percent increase in the welfare of the average Briton or American or Taiwanese? Something besides thrifty self-discipline or violent expropriation must have been at work in northwestern Europe and its offshoots in the eighteenth century. Thrifty self-discipline and violent expropriation have been too common in human history to explain a revolution unique to Europe around 1800.

And as a practical matter a pile of physical capital financed from, say, Piet Heyn’s seizure of the Spanish treasure fleet in 1628 would by the year 1800 melt away to nothing. It does not accumulate. It depreciates. The confusion is between financial wealth in a bank account, which is merely a claim by this person against that person to the society’s real wealth in a house or ship or education. Real wealth is what needs to be available for real investment. You

cannot build a factory with pound notes or dig a canal with gold coins. You need bricks and wheelbarrows and skilled people to wield them. Mere financing can hardly be the crux, or else the Roman church in its command of tokens of wealth would have created an industrial society in 1300. Or Philip II—who after all was the beneficiary of those treasure fleets that the English and Dutch privateers preyed on—would have financed an industrial revolution in Spain. So any original accumulation supposed to be useful for any real industrialization must be available in real things. But “what is with you [in real, physical things] comes to an end, but what is with God abides” (Koran 16:96); “These lovely [earthly] things,” writes Saint Augustine, “go their way and are no more. . . . In them is no repose, because they do not abide.”⁴³ A real house built in 1628 out of Piet’s profit would be tumbled down by 1800, unless in the meantime its occupants had continued to invest in it. A real educated person of 1628 would be long dead, a real machine would be obsolete, a real book would be eaten by worms. The force of depreciation makes an original accumulation spontaneously disappear.

This is not to say, note well, that conquest, enslavement, robbery, and murder play no part in European history. A Panglossian assumption that contract, not force, explains, say, the relation between lord and peasant defaces the recent work on “new” institutionalism, such as that of Douglass North.⁴⁴ But, pace Marx, modern economic growth did not and does not and cannot depend on what can be gained by stealing from poor people. Stealing from poor people, when you think about it, could hardly explain enrichment by a factor of 18. Would you do so well by robbing the homeless people in your neighborhood or by breaking into the residence of the average factory worker? Does it strike you as plausible that British national income depended much on stealing from an impoverished India? If it did, why did real income per head in Britain go up sharply in the decade after Britain “lost” India?

Modern economic growth has not depended on saving or on stealing to get the saving. It has depended instead on the invention of entirely new ways of propelling ships or making shoes. And nowadays it depends—if your country is, as Gerschenkron put it, “relatively backward”—on leaping over the slow, early stages of invention and investment by adopting what has already been invented, getting cell phones now instead of laboriously investing in landlines and then inventing substitutes. It is why China and India can now grow at rates inconceivable in the eighteenth and early nineteenth centuries, before the inventions were well launched. It is why in the late nineteenth century Sweden and then in the late twentieth century Japan and South Korea caught up so very quickly. “Capitalist production,” Marx declares, “presupposes the pre-existence of considerable masses of capital.”⁴⁵ No, it does not. A modest stream of withheld profits will pay for repairing the machines and acquiring new ones, especially the uncomplicated machines of 1760. (In 1760 the most complicated “machine” in existence was a first-rate ship of the line, continuously under repair.) And so

far as the starter is concerned, as in sourdough it is small and could come from anywhere, not only from some great original sin of primitive accumulation.

What did happen in the seventeenth and eighteenth centuries, it would appear, is so to speak an original accumulation of inventive people, such as James Watt and Franklin. Such people sought bourgeois and thrifty ways of making and doing things, turning away from the projects of honorable display characteristic of an aristocratic society. By the eighteenth century they were launched on careers of producing a wave of gadgets that has not yet ceased rolling over us. An original accumulation of habits of free publication and vigorous discussion, as Mokyr argues in *The Gifts of Athena*, created “a world in which ‘useful’ knowledge was indeed *used* with an aggressiveness and a single-mindedness that no other society had experienced before was the unique Western way.”⁴⁶ We do not yet know for sure why this happened in northwestern Europe and did not happen until later elsewhere, though many economic historians suspect that Europe’s political fragmentation leading to comparative freedom for enterprise was important.⁴⁷ What did *not* happen, we do know, was a big rise in European thrift.

So nothing much changed from 1348 to 1600 or from 1600 to 1800 in the actual circumstances of thriftiness. And the modest changes did not matter much. The Dutch- and English-speaking people who initiated the modern world exercised personal thrift, or did not, as they still do, or do not. But changes in aggregate rates of saving drove nothing of consequence. No unusual Weberian ethic of high thriftiness or forceful expropriation started economic growth. East Anglian Puritans learned from their Dutch neighbors and coreligionists how to be thrifty in order to be godly and to work hard, as John Winthrop puts it, “to entertain each other in brotherly affection.”⁴⁸ That is nice, but it is not what caused industrialization—as indeed one can see from the failure of industrialization even in the Protestant and prosperous parts of the Netherlands, or for that matter in East Anglia itself. The habits of thriftiness and luxury and profit, and the routines of exploitation, are humanly ordinary and largely unchanging. Modern economic growth depends on ingenuity in crafting gadgets, and this in turn appears to depend on free societies. It does not depend on massive investment or an original accumulation of capital.

What did change from 1600 to 1800, however, and did so dramatically, was the high-cultural *attitude* toward thrift. Thriftiness and other specifically economic virtues—such as prudent calculation of costs and benefits, an admiring attitude toward industrial novelties, or an acceptance of ethically acquired profits—became fully respectable, honorable, admired, permitted, and encouraged, not obstructed and disdained, first in Holland and then at last in England, and even a bit earlier in England’s remote American colonies and in England’s impoverished neighbor, Scotland. This *was* unique in world history, and the change had stupendous economic consequences. A change in the superstructure determined a change in the base.

Away from northwestern Europe and its offshoots around 1800 the economic virtues were still not respectable—in the opinion of the dominant classes, at any rate. Right up to the Meiji Restoration of 1867, after which things in Japan changed with lightning speed, leading opinion scorned the merchant. In Confucian cultures more widely the merchant was ranked as the lowest of the classes: in Japan, the order was the daimyo, the samurai, the peasant, and then the merchant. A merchant in Japan and China and Korea was not a “gentleman,” to use the European word, and had no honor.

Likewise circa 1600 in William Shakespeare’s England the economic virtues were not at all respectable. They were sneered at. The only one of Shakespeare’s plays that speaks largely of merchants offers no commendation of thrift. Shylock’s “well-worn thrift” is nothing like an admired model for behavior. It is the lack of thrift in aristocratic Bessanio, the “disabling of his estate,” itself viewed as amusing and blameless—since had he but the means he could hold a rival place with Portia’s wealthy and aristocratic suitors—that motivates the blood bargain in the first place.

This does not mean that Shakespeare’s contemporaries were not greedy. But their greed expressed itself in an aristocratic notion that Lord Bessanio simply *deserved* the income from his lands or borrowings or gifts from friends or marrying well or any other unearned income he could assemble—and then gloriously spend. The gentry and especially the aristocracy in Shakespeare’s England discounted bourgeois thrift and scorned the bourgeois work that earned the income to be thrifty about. Gentlemen, and especially dukes, did not trouble to pay their tailoring bills. As late as 1695 the English economic writer Charles Davenant complained that “if these high [land] taxes long continue, in a country so little given to thrift as ours, the landed men must inevitably be driven into the hands of . . . usurers.”⁴⁹ The unthrifty were the landed English gentlemen puttin’ on the style. Francis Bacon had been in Shakespeare’s time the very type of such a man, given to “ostentatious entrances, arrayed in all his finery, and surrounded by a glittering retinue”; he was chronically unthrifty, always in debt, and tempted therefore to misuse the lord chancellor’s mace, when finally his ambition achieved it, by soliciting bribes from both parties in legal disputes.⁵⁰ About the same time as Bacon’s disgrace, a prudent temperance had made Plymouth Colony and Massachusetts Bay succeed where Jamestown had failed, because the adventurers of Jamestown were gentlemen, not thrifty Puritans.

All of Shakespeare’s works record an aristocratic refusal to calculate. Think of Hamlet’s indecision, Lear’s proud impulsiveness, King Leontes’s irrationalities in *A Winter’s Tale*. Such behavior is quite unlike the prudent examining of ethical account books even among late and worldly Puritans like Daniel Defoe or among their even later and even more worldly descendants like Franklin. What is correct in Weber’s emphasis on worldly asceticism is that the Puritans wrote a good many fictions such as autobiographies stressing it.

Because it elevates an ignoble prudence, aristocrats are scornful of such calculation. That does not mean that they in fact did not calculate. They'd better. As the king prays to the god of battles in *Henry V*:

steel my soldiers' hearts.
Possess them not with fear. Take from them now
The sense of reck'ning, [if] th'opposèd numbers
Pluck their hearts from them. (4.1.272–74)⁵¹

And indeed his "ruined band" before Agincourt, as he had noted to the French messenger, was

with sickness much enfeebled,
My numbers lessened, and those few I have
Almost no better than so many French. (3.6.131–33)

Imagine that. At the battle that followed, on the Feast Day of Crispian in 1415, his numbers of 5,000 or 6,000 (to take the conventional estimate, recently disputed) did not prudently flee from an enemy of 25,000.

One reason, Shakespeare avers, was the king's religious faith. As Henry says to Gloucester, "We are in God's hand, brother, not in theirs" (3.6.155), though the expression of religious faith here, as usually in Shakespeare, is formulaic and questionably sincere. In a highly religious age few characters in Shakespeare make religious faith their guiding theme, and some of these are scheming clerics with unfaithful purposes, like the bishops in the early scenes of *Henry V*. Contrast John Milton, writing a half century later, in whom the Puritans find their noblest voice. (The word *thrift*, by the way, appears nowhere in Milton's justifying of the ways of God to man.)

The alternative and central virtue in *Henry V* is not Christian faith but aristocratic courage:

'tis true that we are in great danger;
The greater therefore should our courage be. (4.1.1–2)

Shakespeare emphasizes in 1599 such aristocratic virtues and not, for example, the prudence of the warhorse-impaling stakes that on Henry's orders the archers had in fact been lugging through the muddy French countryside for the week preceding October 25.⁵² The stakes are mentioned in Shakespeare's sources but not in the play. Such prudence is a calculative virtue, as are justice and temperance, among the seven principal virtues. They are cool. The two warm and earthly virtues, love and courage, with at least secular versions of the warm virtues faith and hope, which together make the four praised most often by Shakespeare, are specifically and essentially *non-calculative*.

Writing in 1900, Georg Simmel claims in *The Philosophy of Money* to detect a "psychological feature of our times which stands in such a decisive contrast to the more impulsive, emotionally determined character of earlier epochs. . . .

Gauging values in terms of money has taught us to determine and specify values down to the last farthing."⁵³ In a word, thriftiness reigns now, as against the warm noncalculativeness of earlier folk. This is false, of a piece with Weber's claim that a rise of rationality characterizes the modern world. The Great War was soon to make such optimistic Eurocentrism look strange indeed. Ernest Renan, professor of Hebrew at the Collège de France from 1862—most famous for his claim that Jesus was a good chap if a trifle primitive and oriental—declared that "we must make a marked distinction between societies like our own, where everything takes place in the full light of reflection, and simple and credulous communities," such as those that Jesus preached in.⁵⁴ After the events of the twentieth century in Europe, which exhibited irrationality, impulse, credulousness, and rather little of the full light of reflection, one stands amazed that anyone can still believe in the unusual rationality or prudence or thriftiness of the modern European world.

In fact people always and everywhere have been both more or less rational and more or less impulsive. They exhibit the seven virtues, and the numerous corresponding vices, all. In medieval Europe one can see in Walter of Henley's book *The Husbandry* and the *Seneschaucy* the pervasiveness of a money economy. In 1900 Simmel had little way of knowing how wrong his notions of the "rise of the money economy" were to prove in actual as against philosophical historical research. At that time only a few lone geniuses like Frederick Maitland had it right. It has subsequently been discovered that everything was for sale for money in olden times—for instance, husbands and eternal salvation. People in 1300 thought of values down to the last farthing.

Where Simmel is correct, however, is again that attitudes and commonplace rhetoric about prudence and temperance did change from 1600 to 1800. Shakespeare's *Henry V* does not of course tell what the real, historical king was doing or thinking or saying in the weeks leading up to the battle (though some of the speeches were inspired by passages in *Holinshed's Chronicles*). *Henry V* tells about sixteenth-century attitudes, rhetorics, ideologies—what was expected to be mouthed by stage noblemen in the last years of Elizabeth's England. It was a place in which only rank ennobled and honor to the lowborn came only through loyalty to the nobles. Before the taking of Harfleur ("Once more unto the breach, dear friends" [3.1.1]), Henry declares,

there's none of you so mean and base
That hath not noble lustre in your eyes. (3.1.29–30)

And before Agincourt, he says:

For he today that sheds his blood with me
Shall be my brother; be he ne'er so vile,
This day shall gentle his condition. (4.3.61–63)

On the eve of the battle, out of earshot of Henry, the king's uncle grimly notes the disadvantage in numbers: "There's five to one. Besides, they all are fresh," at which the Earl of Salisbury exclaims in agreement, "God's arm strike with us! 'Tis a fearful odds" (4.3.5). The king comes onto the scene, and the Earl of Westmoreland continues the calculative talk:

O that we now had here
But one ten thousand of those men in England
That do no work today! (4.3.16–18)

To which Henry, now fully on the scene, replies, scorning such bourgeois considerations:

If we are marked to die, we are enough
To do our country loss; and if to live,
The fewer men, the greater the share of honor. (4.3.20–22)

And he ends most gloriously. One can imagine how British audiences reacted to Laurence Olivier's version in the heroic days of 1944:

And gentlemen in England now abed
Shall think themselves accursed they were not here,
And hold their manhoods cheap whiles any speaks
That fought with us upon Saint Crispin's Day. (4.3.34–37)

This is not bourgeois, prudential rhetoric, and counts not the cost.

The English were notorious in the Elizabethan Age for such proud, impulsive, decidedly unbourgeois behavior, supported by the corresponding elevation in their talk of aristocratic values. A Dutch businessman in the early seventeenth century declared that the English "are bold, courageous, ardent and cruel in war, but very inconstant, rash, vainglorious, light and deceiving, and very suspicious, especially of foreigners, whom they despise."⁵⁵ The Low Countries were at the time the point of contrast. Well into the eighteenth century Holland served as a model for the English and Scots of how to be thrifty and bourgeois—and certainly how to talk it.

The rising class in the English sixteenth and seventeenth centuries was not the bourgeoisie but the gentry, viewed as one of two classes of "gentlemen" below England's exceptionally tiny aristocracy. Yet a mere hundred years after Shakespeare the English, surprisingly, were very busy transforming themselves from admirers of the aristocracy into admirers of the bourgeoisie. Even the gentry and aristocracy gradually became businesslike about their landholdings. In the 1690s, with a Dutch king, the William of William and Mary, the British proceeded to adopt Dutch institutions—such as a central bank and a national debt and a stock market—and undertook to cease being inconstant, rash, vainglorious, light, and deceiving (though remaining "suspicious and despising of foreigners"), or at least to cease talking about it. Evidently something

changed during the late seventeenth century in the evaluation of prudent temperance as against courageous hope, and so too in the evaluation of thrift.

The admiration had long-term consequences. The elite's behavior changed some, but its theory of behavior, once hostile to bourgeois values, changed more. The king did not believe any longer that he could by right seize money from the city of London. The effective rulers of Britain became more and more mercantilist (c. 1700) and then free trading (c. 1840)—anyway more and more concerned with national profit and loss. As Charles Louis de Secondat, Baron de Montesquieu, put it in 1748, "Other nations have made the interests of commerce yield to those of politics; the English, on the contrary, have ever made their political interests give way to those of commerce."⁵⁶ Well, not ever, but by 1748, often. Such an ordering of ideas was second nature to the Dutch in 1600. It had to be learned by the British. The British became known as unusually calculating instead of, as before, unusually careless in calculating. The actual change in individual behavior was not great. Right up to the nineteenth century the rest of the world was astonished by the aristocratic/peasant brutality of British soldiers. But the change in ideology was great and permanent and finally softening.

In his survey of its history 1727 to 1783 Paul Langford characterizes England as by then thoroughly bourgeois, "a polite and commercial people" (in the phrase from William Blackstone that Langford uses as his title). As early as 1733, Langford claims, a century before the Reform Bill that gave some few of them a direct political voice, "the shopkeepers and tradesmen of England were immensely powerful as a class." He speaks of buying power. "The seeming passion for aristocratic values" evinced, for example, in the vogue for spas such as Bath and a little later seaside resorts such as Brighton, depended on a middle-class clientele—the upper-middling sorts described in Jane Austen's novels, not the lesser merchants in the cities but a gentry increasingly accepting merchant values. "Bath owed its name to the great but its fortune to the mass of middling."⁵⁷ Langford quarrels repeatedly with the more usual notion that aristocratic values ruled in the age of the Whig grandees.⁵⁸ Britain in the eighteenth century, Langford claims, was if anything a plutocracy, not an aristocracy, a place where wealth, even wealth gained in bourgeois ways, gave power.

It was the base. In the superstructure still more was happening. The first voice of bourgeois theorizing in English is Joseph Addison. "With *The Spectator* [1711–12 and 1714] the voice of the *bourgeois*," Basil Willey declares, "is first heard in polite letters, and makes his first decisive contribution to the English moral tradition." Addison was "the first lay preacher to reach the ear of the middle-classes," though it would seem that for the less highbrow, middling sort Defoe scoops him by a decade or so, and Addison's colleague Richard Steele lasted longer in the pulpit. "The hour was ripe for a rehabilitation of the virtues" [against aristocratic Restoration cynicism]. Addison and Steele "were

the very men for the task.”⁵⁹ Decades later the Dutch returned the favor of the Addisonian project of translating the bourgeois virtues of Holland. They published “Spectatorial Papers” in explicit imitation, against a perceived corruption even in Holland of the bourgeois virtues by French manners, effeminacy, nepotism, and sleeping late.⁶⁰

A long-evolving orthodoxy in English history claims that, on the contrary, England long espoused a “gentlemanly capitalism” hostile to bourgeois values.⁶¹ Right through late Victorian times and beyond, it is said, capitalism was trammelled by estate-yearning and cricket-loving people. It seems a dubious claim. To lament the economic “failure” of the first industrial nation, which has remained from 1700 to the present one of the richest countries in the world, has always seemed a trifle strange. From the time of atmospheric steam engines to the present, England and Scotland together have been world centers for invention: modern steel, radar, penicillin, and magnetic resonance imaging, to name a few.⁶² A surprisingly high percentage of world inventions still come out of little Britain. And as E. P. Thompson pointed out early in the debate about gentlemanly capitalism, the landed aristocrats themselves, and their protective belt of gentry, came to be bourgeois in values. They labored at high farming the way their financiers in London labored at deal making and their manufacturing countrymen in Lancashire labored at spinning cotton. And they honored such labor.

As Stephen Greenblatt notes, in Shakespearean England “there was virtually no respect for labor; on the contrary, it was idleness that was prized and honored.”⁶³ Real aristocrats fight; priests worship; the rest work. Prey, pray, and pay. “As for gentlemen,” writes one of their number in Shakespeare’s time, “whosoever . . . can live idly and without manual labor . . . he shall be called master.”⁶⁴ Into the twentieth century in England the word *gentleman* meant, “often, a man whose means enable him to live in easy circumstances without engaging in trade”—a man who did not need to work at anything.⁶⁵ The shift in the meaning of the word—its present meaning of course is “any adult male in sight,” as in “ladies and gentlemen of the jury”—follows the spread of work-admiring middle-class values.

Bourgeois labor is dealing, managing, advising. It is verbal work, the issuing of orders, the speaking of ideas, the calculating of amounts—what you and I are doing now, for instance. Unsurprisingly, the word *gentleman* in English shifts away from the honoring of idleness and toward the admiring of the economic virtues of thrift and diligence first in bourgeois America. Everyone in the American middle class, from the small-town plumbing contractor to the captain of industry, admires purposeful, energetic work with words and in a democratic spirit does not disdain helping out occasionally with the manual labor, either. Get busy! Even professors in America are businesspeople, as, for instance, Morris Zapp in David Lodge’s early academic novels or Stanley Fish in real life. Busy, busy, busy. An American professor does the job, he says to

himself proudly, whether the work is of brain or of hand. Get the job done. Henry Ford inspected the line. Sam Walton stocked the shelves.

In *On Duties* (c. 44 B.C.) Cicero declares that the four pagan virtues constitute a man’s *honestas*, there meaning simply “rectitude, moral worthiness.”⁶⁶ But in Latin *honestas* also means “honor” in the aristocratic sense—that is, reputation—as does exclusively its reconstructed root *honos* without suffix and the usual *honōs* (genitive *honōris*) or simply *honor*. The Romans used rather the original of our *sincere*, originally meaning “pure,” for what we now call *honest*. *Sinceritas* was not highly esteemed in a shame culture of aristocrats, and in fact this particular form is not attested before Augustus. At Rome and in its offshoots ethical goodness was what was worthy of esteem in a man of honor. “To live honorably” is the modern English translation of the advice in Justinian’s treatise on Roman law in A.D. 533, *honeste vivere*, not our modern “live honestly.”⁶⁷ Truth telling was distinctly secondary to this notion of *honestas*. Think of the haughty virtues, the *dignitas*, the willingness to say what is appropriate, not what is true, of Henry V or of a Mafia don.

Othello’s repeatedly addressing his friend as “honest Iago” (*Othello* 1.3.293, 2.3.160) and, just before he discovers Iago’s lies, as “My friend, your husband, honest, honest Iago” (5.2.162) is therefore not quite so crude a case of dramatic irony as appears to us now. In *Othello* as most usually in Shakespeare the word *honest* means chiefly “honorable,” as men still speak in jest of the purity of an “honest” woman. This sense with reference to women is also very common in Shakespeare. For example, it is used eight times in *Othello* about Desdemona: “I do not think but Desdemona’s honest” (3.3.230).

Consider these lines:

O brave Iago, honest and just,
That hast such noble sense of thy friend’s wrong. (5.1.32–33)

Iago is here characterized as a warrior—*brave* and *noble* as an honorable warrior should be—though as it will turn out he has neither integrity nor a sense of justice. In *Othello* the word is used twenty-five times about dishonorable Iago: of these references, nine are made by Iago himself and fourteen by the tragically misled Othello. The play cites *honest* and *honesty* fully fifty-three times—as against only five times in *Macbeth*, ten in *King Lear*, sixteen in *Hamlet*, or twenty-nine even in *The Winter’s Tale*—all of which, like most of Shakespeare, are centrally concerned with honor and falsity.⁶⁸ In 1713 Anthony Ashley Cooper, Third Earl of Shaftesbury, was still using *honest* to mean “honorable, virtuous.” He inquired, “What honesty or virtue is, considered by itself,” and concluded piously that “it is impossible for an atheist to be virtuous, or share any real degree of honesty, or merit.”⁶⁹

The same happens in French: *honnête* has an obsolete sense of “civil, courteous”; and *honnêteté* an obsolete sense of “virtue, decency.” By now *honnête* means only telling the truth. The same shift occurs, too, in Germanic

languages, with an entirely different root word. The usual Dutch or German words for *honesty* now mean telling the truth, but in olden days—as in Latin-derived languages before the rise of the bourgeoisie to social prestige—they meant noble honor. In modern Dutch, *eerlijkheid* means simply “honesty,” as in *eerlijkheid duurt 't langst*, “honesty lasts the longest” (i.e., “honesty is the best policy”). But it arises, as in French and English, from honor words in a very different society. The Dutch element *eer* itself still today means “honor”: *eerbaarheid*, “chastity”; *eergevoel*, “sense of honor” (lit. “honor feeling”); *eren*, “to honor or revere” (as in Dutch hymns to *de Heer*); *erezaak*, “a point of honor”; and even old *eerverlies*, “corruption of blood lines.”

The *Oxford English Dictionary* notes that *honest* meaning “held in honor” or “respectable” (sense 1a), from *honestas* by way of French, was obsolete after 1692. It is just about the time, as I said, that England became as bourgeois and thrifty as the Dutch Republic. The last citation in the *OED* of the meaning “commendable” (sense 2a) cites Alexander Pope’s *Iliad* of 1715–20. It is just about the time England and Europe generally had their first fully capitalist financial crash. Financial crashes characterize capitalism precisely because a market society depends on the *honesty* of strangers, in the modern sense. The Dutch tulip boom and bust in the 1630s had depended on it. The meaning of *honesty* as “sincere,” says the *OED*, is “the prevailing modern sense” (sense 3c), though used occasionally this way from Middle English. In *Othello* the two senses of it, honorable and sincere, mingle, to ominous effect.⁷⁰

It is no surprise that in a commercial democracy such as ours the word *honesty* has come to signify instead *our* master virtue, the egalitarian and bourgeois equivalent of an aristocratic and anticommercial “honor.” John Casey is astonished that honor “today . . . finds almost no place in the thought of moral philosophers,” though it was central in the Renaissance and before.⁷¹ But that is because honor has been replaced by honesty, which in a bourgeois society plays an identical social role. In *The Stones of Venice* John Ruskin remarks, after a long disquisition on the origin of virtue lists, “It is curious that in none of these [Italian] lists do we find either *Honesty* or *Industry* ranked as a virtue, except in the Venetian one.”⁷² Surely it is not so curious, considering the frankly bourgeois and busy character of the Venetian Republic at its height, in contrast with the honor-obsessed cultures of contemporary feudal societies like France or England. As Ruskin notes, later the virtue of “industry, in Northern [that is, protobourgeois French, German, Dutch, and English] art and Northern morality, assumes a principal place.”⁷³

What, then, of the society the English were imitating, the Dutch? By 1600 the Dutch were already thoroughly bourgeois and devoted to bourgeois notions of the value of thrift. As the Dutch Liberal historian Johan Huizinga wrote in 1935, “We [Dutch] are essentially unheroic. Our character lacks the

wildness and fierceness that we usually associate with Spain from Cervantes to Calderón, with the France of the *Three Musketeers* and the England of Cavaliers and Roundheads. . . . A state formed by prosperous burghers living in fairly large cities and by fairly satisfied farmers and peasants is not the soil in which flourishes what goes by the name of heroism. . . . Whether we fly high or low, we Dutchmen are all bourgeois—lawyer and poet, baron and laborer alike.”⁷⁴

Simon Schama detests this notion that the Dutch were “bourgeois,” because he associates the word with vulgar Marxism, in which *bourgeois* means “bad person.” (“Oh, Daddy, you’re so *bourgeois*!” exclaims the teenage girl.) Schama prefers *burgher*, which he understands as public-spirited “citizen” as against the Mr. Moneybags of Marxist fable. “To be a Dutch burgher,” Schama declares, “meant avoiding being either godless or helpless.”⁷⁵ Quite. “Money-making, which the Calvinist Church so detested,” writes Schama (who, we should note, is right again—people who in thinking the opposite believe they are following Weber are wrong), “was tolerated by distinguishing between proper and improper ways of making fortunes, and the concept of wealth as stewardship.”⁷⁶ The Left could here note sarcastically, and accurately, that in the seventeenth century the proper “stewardship” included piracy, slave trading, and shocking colonial exploitation. “To be Dutch,” he concludes, “still means coming to terms with the moral ambiguities of materialism,” now as in the Golden Age.⁷⁷

But coming to terms with the moral ambiguities of materialism is the life of *any* bourgeois person, Dutch or Florentine, American or English, Japanese or South Asian. The question always is, What is your admirable thrift *for*? The early Medici bankers, two centuries before Schama’s Dutch, writes Tim Parks, faced the same problem in ethical mechanics. “Precisely because [Cosimo il Vecchio] cares about his eternal soul he is aware of a fierce tension between the competing demands of the sacred and the secular. A rich and powerful man who is also a devout Christian must needs be anxious.”⁷⁸ Such a bourgeois anxiety, Parks notes, would not characterize the late Medici, who were by that time aristocratic dukes rather than high-bourgeois bankers.

The anxiety-producing tension between the sacred and the profane has been an obsession in Christianity since the Sermon on the Mount. A hungry peasant or a well-heeled aristocrat has, as we say, no issues with money and consumption. It’s “eat black bread every chance you get” or “endow St. Paul’s with stained glass.” No issues there. But the *middenstand* live with the moral ambiguities of materialism. It is why thrift is a bourgeois issue. The bourgeoisie have after all so very much of that matter to be thrifty or profligate about, and they know how it was earned, because they just earned it. Should a tithe for my church be reckoned before or after taxes? Is it hubris for Silas Lapham to build a vulgar house in the Back Bay? Should Emma Woodhouse persuade Harriet Smith not to marry a mere farmer?

As Schama himself concedes, “The tensions of a capitalism that endeavored to make itself moral were the same whether in sixteenth-century Venice, seventeenth-century Amsterdam or eighteenth-century London.”⁷⁹ That is the right tactic for discussions about the rise of the bourgeoisie and the gospel of thrift: namely, to note and analyze its ethical tensions. The mistake is to flee from the very word *bourgeois* because some people use it to mean “bad bosses,” or indeed from the word *ethics* because some people use it to mean “inessential rules of business just short of indictable crimes,” or *morality* because some people use it to mean “puritanical, sex-obsessed hypocrisy.”

“The effort to moralize materialism” is told in the Netherlands, of course, in characteristically Dutch ways, which Schama persuasively illustrates. But is the moral effort especially Dutch? *Ik denk het niet*. I don’t think the Dutch moralized their riches and other bourgeois do not. The American bourgeoisie moralizes its riches as just rewards for cowboy courage, or as a gospel of philanthropy of the Carnegie-Mellon type, or as a democratic creed of opportunity seized. The Hindu bourgeoisie moralizes its riches as the favor of Ganesh or the expression of spiritual worth from a previous reincarnation or as provisioning for those pesky cousins. As behavior, of course, a sheer materialism without sincere reference to the transcendent is common enough in all societies, bourgeois or not. But it is the official theory of none. Official theories are about the transcendent, a beyond. Every human, whether bourgeois and thrifty or aristocratic and spendthrift, seeks it.

The Dutch were not exceptional in their positive evaluation of thrift; they were merely a century early compared with the English or the Americans and a century later compared with the Florentines and Venetians. *Bourgeois* can mean, if we wish to use words this way—and can get over being spooked by Marx—“city dweller practicing an honored profession or owning a business or functioning at a managerial level in someone else’s enterprise, including governmental and nonprofit enterprises.” Such a person faces a particular set of ethical problems. She has the anxious ethical task of learning how to be a counselor yet be self-prudent, to be a saleswoman yet be other-loving, to be a boss yet be just, to be a bureaucrat yet be courageous, to be a scientist yet be faithful. Above all she needs to be thrifty but virtuous. Schama is right to emphasize the ethical tensions of capitalism. But the Dutch are merely an early instance, as the Venetians and Florentines and Genoese were still earlier, with the Hanseatic League in attendance, and Osakans and Singaporeans later, of a by now worldwide social class and a by now worldwide ethical problem, namely, the tensions of bourgeoisness ascendant.

There are many tales told about the prehistory of thrift. The central tales are Marxist or Weberian. Both are mistaken. Accumulation has not been the heart of modern economic growth, nor has it been the heart of the change from the medieval to the early modern economy or from the early modern

to the fully modern economy. If you personally wish to grow a little rich, by all means be thrifty and thereby accumulate. But if you wish your society to be remarkably rich, you should rather work for it to be open to new ideas and thereby educate. *Thrift* has been much honored in American civic theology. But like many other of the sacred words, such as *democracy* or *equality* or *opportunity* or *progress*, its rhetorical force turns out to be more important historically than its material force. It’s time for the old tales of thriftiness to be retired.

Notes

Portions of this essay are taken from my recent book, *The Bourgeois Virtues: Ethics for an Age of Commerce* (Chicago: University of Chicago Press, 2006), which I heartily recommend, and from a sequel to that book, *Bourgeois Dignity: Why Economics Can’t Explain the Modern World* (2010), and, in progress, *The Bourgeois Revaluation: How Innovation Became Ethical, 1600–1848*.

1. Adrienne Rich, “Anne Bradstreet and Her Poetry,” in *The Works of Anne Bradstreet*, ed. J. Hensley (Cambridge, MA: Harvard University Press, 1967), xiv–xv.
2. Thomas Tusser, *Five Hundred Points of Good Husbandry* (1574; London: Lackington, Allen, 1812), 19.
3. *The Koran Interpreted*, trans. A. J. Arberry (Oxford: Oxford University Press, 1998). All quotations from the Koran come from this translation.
4. Digha Nikaya, in *Sources of Indian Tradition*, ed. William Theodore de Bary (New York: Columbia University Press, 1963), 1:122.
5. A. L. Basham, in *From the Beginning to 1800*, vol. 1 of *Sources of Indian Tradition*, 2nd ed., ed. Ainslee Embree (New York: Columbia University Press, 1988), 151.
6. Walter of Henley, *The Husbandry*, in *Walter of Henley and Other Treatises on Estate Management and Accounting*, ed. Dorothea Oschinsky (Oxford: Clarendon, 1971), 309.
7. Seneschaucy, in *Walter of Henley and Other Treatises on Estate Management and Accounting*, ed. Dorothea Oschinsky (Oxford: Clarendon, 1971), 269.
8. Tusser, “Good Husbandly Lessons,” in *Five Hundred Points*, 26.
9. Charles Dickens, *David Copperfield* (New York: Modern Library, 2000), 116.
10. Deirdre N. McCloskey and John Nash, “Corn at Interest: The Extent and Cost of Grain Storage in Medieval England,” *American Economic Review* 74 (March 1984): 174–87.
11. Robert W. Fogel, *The Escape from Hunger and Premature Death, 1700–2100: Europe, America, and the Third World* (Cambridge: Cambridge University Press, 2004).
12. Stephen Innes, “Introduction: Fulfilling John Smith’s Vision,” in *Work and Labor in Early America*, ed. Stephen Innes (Chapel Hill: University of North Carolina Press, 1988), 5.
13. Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, trans. Talcott Parsons (1904–5; New York: Scribner’s, 1958), 17. Weber also writes, “The notion that our rationalistic and capitalistic age is characterized by a stronger economic interest than other periods is childish.” Max Weber, *General Economic History*, trans. Frank Knight (1923; London: Allen and Unwin, 1927), 355.
14. *The Aeneid of Virgil* 3.73, author’s translation.

15. Weber, *Protestant Ethic*, 17.
16. Boswell's *Life of Johnson*, April 14, 1778, quoted in Peter Mathias, "Dr. Johnson and the Business World," in *The Transformation of England: Essays in the Economic and Social History of England in the Eighteenth Century* (New York: Columbia University Press, 1979), 302.
17. Karl Marx, *Capital: A Critique of Political Economy*, ed. F. Engels, trans. S. Moore and E. Aveling (1867; New York: Modern Library, n.d.), 1:651 (24.3).
18. *Ibid.*, 1:170–71 (4).
19. See, e.g., *ibid.*, 1:641 (24.1) and 1:784 (26): "We have seen how money is changed into capital; how through capital surplus-value is made, and from surplus value more capital."
20. Santhi Hejeebu and I have laid out the case against Karl Polanyi's economic history in "The Reproving of Karl Polanyi," *Critical Review* 13 (Summer/Fall 1999): 285–314.
21. Robert Heilbroner, *The Worldly Philosophers: The Lives, Times, and Ideas of the Great Economic Thinkers*, 7th ed. (1953; New York: Simon and Schuster, 1996), 201. Cf. 156, "an owner-entrepreneur engaged in an endless race," and so forth.
22. Weber, *Protestant Ethic*, 51 (emphasis added).
23. Marx, *Capital*, 652 (24). And "accumulation for accumulation's sake, production for production's sake."
24. See D. H. Lawrence, "Benjamin Franklin," chap. 2 of *Studies in Classic American Literature* (1923; Harmondsworth, UK: Penguin Books, 1971). The most well known of the amused ironies is Franklin's comment on a late addition to his list of virtues, humility: "I cannot boast of much success in acquiring the reality of this virtue; but I had a good deal with regard to the appearance of it." (Claude-Anne Lopez remarked once that Franklin will lack a full biography until someone with a sense of humor attempts it.)
25. Weber, *Protestant Ethic*, 51 (emphasis added).
26. Joan C. Tronto, *Moral Boundaries: A Political Argument for an Ethics of Care* (New York: Routledge, 1993), 29.
27. Thomas Haskell, quoted in Innes, "Introduction," 39n61.
28. Alan Macfarlane, *The Culture of Capitalism* (Oxford: Blackwell, 1987), 226.
29. Adam Smith, *The Theory of Moral Sentiments*, Glasgow ed., ed. D. D. Raphael and A. L. Macfie (1759; Indianapolis: Liberty Classics, 1982), 173 (3.6.6).
30. Simon Kuznets and later Charles Feinstein provided the rigorous accounting of the fact. It was anticipated in the 1950s and 1960s by virtually the entire profession of British economic historians, in detailed studies of banking and manufacturing. Peter Mathias gives a good summary and remarks that "considerable revaluation has recently occurred in assessing the role of capital." Peter Mathias, "Credit, Capital and Enterprise in the Industrial Revolution," in *The Transformation of England: Essays in the Economic and Social History of England in the Eighteenth Century* (New York: Columbia University Press, 1979), 88–115.
31. Karl Marx, *The Communist Manifesto*, Norton Critical Edition (New York: Norton, 1988), 59.
32. Walt W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (Cambridge: Cambridge University Press, 1960); William Easterly, *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics* (Cambridge, MA: MIT Press, 2001).

33. Angus Maddison, *The World Economy: A Millennial Perspective* (Paris: Organization for Economic Cooperation and Development, 2001).
34. Deirdre N. McCloskey, "The Industrial Revolution, 1780–1860: A Survey," chap. 6 of *The Economic History of Britain, 1700–Present*, ed. Roderick Floud and Deirdre McCloskey (Cambridge: Cambridge University Press, 1981), 1:103–27.
35. G. T. Jones should be better known among economists. A student of Alfred Marshall, he anticipated the mathematics of the "residual." He died young, and his work was forgotten except by economic historians. G. T. Jones, *Increasing Returns* (Cambridge: Cambridge University Press, 1933).
36. Kenneth Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World* (Princeton, NJ: Princeton University Press, 2001).
37. Marx, *Capital*, 784.
38. Alexander Gerschenkron, "Reflections on the Concept of 'Prerequisites' of Modern Industrialization," in *Economic Backwardness in Historical Perspective: A Book of Essays* (Cambridge, MA: Harvard University Press, 1962), 33.
39. Marx, *Capital*, 656 (24.3).
40. *Ibid.*, 785.
41. *Ibid.*, 833.
42. Immanuel Wallerstein, *Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century*, vol. 1 of *The Modern World-System* (New York: Academic Press, 1974).
43. Arberry, trans., *Koran Interpreted*, 269; Augustine, *Confessions*, trans. F. J. Sheed (New York: Sheed and Ward, 1943), 4.10.
44. See Douglass North's *Understanding the Process of Economic Change* and Sheilagh Ogilvie's devastating empirical inquiry into the Panglossian hypothesis. Douglass C. North, *Understanding the Process of Economic Change*, Princeton Economic History of the Western World (Princeton, NJ: Princeton University Press, 2005); Sheilagh Ogilvie, "Guilds, Efficiency, and Social Capital: Evidence from German Proto-industry," *Economic History Review* 57 (May 2004): 286–333.
45. Marx, *Capital*, 794.
46. Joel Mokyr, *The Gifts of Athena: Historical Origins of the Knowledge Economy* (Princeton, NJ: Princeton University Press, 2002), 297.
47. See, e.g., Jean Baechler, *The Origins of Capitalism*, trans. Barry Cooper (Oxford: Blackwell, 1975); William H. McNeill, *The Pursuit of Power: Technology, Armed Force, and Society since a.d. 1000* (Chicago: University of Chicago Press, 1982); E. L. Jones, *Growth Recurring* (Oxford: Oxford University Press, 1988); Charles Tilly, *Coercion, Capital, and European States, a.d. 990–1900* (Oxford: Blackwell, 1990); Alan Macfarlane, *The Riddle of the Modern World: Of Liberty, Wealth, and Equality* (Basingstoke, UK: Palgrave, 2000).
48. John Winthrop, quoted in Stephen Innes, "Puritanism and Capitalism in Early Massachusetts," in *Capitalism in Context: Essays on Economic Development and Cultural Change in Honor of R. M. Hartwell*, ed. J. A. James and M. Thomas (Chicago: University of Chicago Press, 1994), 106.
49. Charles Davenant, quoted in Charles Wilson, *England's Apprenticeship: 1603–1763*, (New York: St. Martin's Press, 1965), 155–56.
50. Lisa Jardine and Alan Stewart, *Hostage of Fortune: The Troubled Life of Francis Bacon, 1561–1626* (London: Victor Gollanz, 1998), 433.

51. William Shakespeare, *The Norton Shakespeare*, ed. Stephen Greenblatt (New York: Norton, 1997). All Shakespeare quotations come from this translation; references are to act, scene, and line.
52. John Keegan, *The Face of Battle: A Study of Agincourt, Waterloo, and the Somme* (New York: Penguin Books, 1978), 90.
53. Georg Simmel, *The Philosophy of Money*, 2nd ed., ed. D. Frisby, trans. T. Bottomore, D. Frisby, and K. Mengelberg (London: Routledge, 1990), 444.
54. Ernest Renan, quoted in James Wood, *The Broken Estate: Essays on Literature and Belief* (New York: Random House, 1999), 262.
55. Quoted in Jeremy Paxman, *The English: A Portrait of a People* (London: Penguin Books, 1999), 35.
56. Charles Louis de Secondat, Baron de Montesquieu, *The Spirit of the Laws* (1748), 2.7, quoted in Innes, "Puritanism and Capitalism," 96.
57. Paul Langford, *A Polite and Commercial People: England 1727–1783* (Oxford: Oxford University Press, 1992), 5, 30, 107.
58. *Ibid.*, 5, 61, 105.
59. Basil Willey, *English Moralists* (London: Chatto and Windus, 1964), 221, 223, 228.
60. Dorothee Sturkenboom, *De elektrieke kus. Over vrouwen, fysica en vriendschap in de 18de en 19de eeuw. Het verhaal van het Natuurkundig Genootschap der Dames in Middelburg* (Amsterdam: Augustus, 2004).
61. Pat Hudson gives a brief but penetrating introduction to the issue in her lucid classic, *The Industrial Revolution* (Sevenoaks, Kent, UK: Edward Arnold, 1992), 218–25.
62. This has been argued in detail by David Edgerton, *Science, Technology, and the British Industrial "Decline," 1870–1970* (Cambridge: Cambridge University Press, 1996), and *Warfare State Britain, 1920–1970* (Cambridge: Cambridge University Press, 2005).
63. Stephen J. Greenblatt, *Will in the World: How Shakespeare Became Shakespeare* (New York: Norton, 2004), 76.
64. Quoted in *ibid.*, 77.
65. As elsewhere, unattributed word-lore is from *The Oxford English Dictionary*.
66. Marcus Tullius Cicero, *De officiis* [Concerning Duties], trans. W. Miller, Loeb Classical Library (Cambridge, MA: Harvard University Press, 1913), 1.61.
67. Justinian, *Institutes*, trans. P. Birks and G. McLeod (Ithaca, NY: Cornell University Press, 1987), 1 (1.1).
68. These data were collected using the complete, searchable texts available at <http://shakespeare.mit.edu>.
69. Anthony Ashley Cooper, 3rd Earl of Shaftesbury, *Characteristics of Men, Manners, Opinions, Times*, 6th (1732) ed. (Indianapolis: Liberty Fund, 2001), 2:4. Cf. 2:8: "honest or moral character."
70. See, e.g., *Othello* 1.3.283, 293, 382; 2.1.198; 2.3.6, 125, 160, 230, 249, 309–15; 3.1.20–21, 38; 3.2.5; 3.3.105–7, 123, 130, 134, 158, 229, 247, 262, 380–89, 417, 438; 5.1.32; 5.79, 155, 161.
71. John Casey, *Pagan Virtue: An Essay in Ethics* (Cambridge: Cambridge University Press, 1990), 83.
72. John Ruskin, *The Stones of Venice* (1851–53; New York: Wiley, 1880), 329 (2.8.64).
73. *Ibid.*, 328 (2.8.64).
74. Johan H. Huizinga, "The Spirit of the Netherlands," in *Dutch Civilization in the Seventeenth Century and Other Essays*, trans. A. J. Pomerans, ed. Pieter Geyl and F. W. N. Hugenholtz (1935; London: Collins, 1968), 110–12.

75. Simon Schama, *The Embarrassment of Riches: An Interpretation of Dutch Culture in the Golden Age* (New York: Knopf, 1987), 420.
76. *Ibid.*
77. *Ibid.*, 609.
78. Tim Parks, "The Cosimos," review of *Cosimo de' Medici and the Florentine Renaissance*, by Dale Kent, and *The Medici, Michelangelo, and the Art of Late Renaissance Florence*, by Cristina Acidini Luchinat et al., *New York Review of Books*, December 19, 2002, 76.
79. Schama, *Embarrassment of Riches*, 49.